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INTERNATIONAL NARCOTICS POLICY

HEARING

BEFORE THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

FIRST SESSION

JUNE 22, 1983

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INTERNATIONAL NARCOTICS POLICY

WEDNESDAY, JUNE 22, 1983

House of Representatives,
Select Committee on Narcotics Abuse and Control,
Washington, D.C.

The select committee met, pursuant to call, at 10 a.m., in room 1310, Longworth House Office Building, Hon. Charles B. Rangel (chairman) presiding.

Present: Representatives Charles B. Rangel, William J. Hughes, Edolphus Towns, Benjamin A. Gilman, E. Clay Shaw Jr., Michael G. Oxley, Gene Chappie, and Duncan L. Hunter.

Staff present: John T. Cusack, chief of staff; Elliott A. Brown, minority staff director; George R. Gilbert, counsel; Edward H. Jurith, counsel; Michael J. Kelley, counsel; Brenda L. Yager, minority counsel; Ricardo R. Laremont, professional staff member; Dr. Martin I. Kurke, professional staff member; and James J. Heavey, press officer.

Mr. Rangel. The Select Committee on Narcotics Abuse and Control will come to order.

We have the pleasure of having before us to testify Assistant Secretary of State Dominick DiCarlo. Today we will examine the administration's performance in the area of international narcotics control. In doing that, we will limit our inquiry and analysis to the policies, diplomatic initiatives, and the technical assistance programs designed to curtail the illicit production, manufacture and traffic from abroad in narcotics and psychotropic drugs affecting us here in the United States.

Some of the programs and initiatives that have been undertaken have been limited in scope, have lacked success, and in our opinion, have been doomed to failure because of a failure to establish narcotics control as a priority on our international agenda.

It is abundantly clear as a result of hearings that we have recently had in New York that law enforcement and treatment experts believe that the national effort and especially the international effort is not rigorous enough.

They have stressed that a nation as powerful as we are should be able to have the economic and military leverage to reach the objective of total eradication of illicit narcotics abroad.

This should be our goal. If it is unachievable, at least we will be able to report back to our constituencies what we are doing toward that goal.

I will deviate from the prepared statement, because a lot of it is rhetoric. We have been working over the years with you, Mr. Secretary, and I would like to state for the record that we have no problem in terms of your cooperation with us, and we have no problem in terms of mutual goals.

But there is another problem. How we can spend billions of dollars, triple the amounts of money that we were spending, to stop this disease from spreading, and how each of us return to our home districts only to find that virgin areas are now blossoming with heroin and cocaine; and in other areas, instead of restriction of supply we find an expansion.

You will be receiving a synopsis of the testimony that we took in New York City. As a matter of fact, because you are from New York, you will spend more time looking at the names, backgrounds, and the experience and the credibility of these witnesses, because you would not expect them, liberals and conservatives, all to reach the same conclusion.

That is, what are you people doing in Washington, and who is coordinating the effort, and what we can expect. It is reaching a point, of course, that some people are so hopeless that they say, let us legalize it, or let us make it a part of our foreign exchange to do business with these people, so that we can buy up the crops and destroy it.

So you and I know that that is not a rational approach to this. We know that you have a statement that has been very well thought out, and that statement, of course, will be a part of our record.

We also want you to know that we intend to have informal exchanges on that statement, our questions, and your statement, and this is merely the formal part of that exchange.

We are anxious to hear your testimony. But before we do that, I would like to ask my colleagues as to whether they have any opening statement.

[The opening statement of Mr. Rangel appears on p. 39.]

Mr. **Rangel**. Mr. Chappie.

Mr. **Chappie**. I have nothing.

Mr. **Rangel**. Mr. Oxley.

Mr. **Oxley**. I have nothing right now.

Mr. **Rangel**. Thank you, Mr. Secretary. You may proceed, and introduce Mr. Taylor, Mr. Schieck, and the rest of your group.

TESTIMONY OF DOMINICK DiCARLO, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS MATTERS, U.S. DEPARTMENT OF STATE, ACCOMPANIED BY CLYDE D. TAYLOR, DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS MATTERS, U.S. DEPARTMENT OF STATE; JAMES VAN WERT, EXECUTIVE DIRECTOR AND COMPTROLLER, BUREAU OF INTERNATIONAL NARCOTIC MATTERS, U.S. DEPARTMENT OF STATE; AND FREDERICK W. SCHIECK, DEPUTY ASSISTANT ADMINISTRATOR FOR PROGRAM AND POLICY COORDINATION, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. **DiCarlo**. Mr. Chairman, to my right is seated the Deputy Assistant Secretary of INM, Mr. Clyde Taylor, and to his right, Mr. James Van Wert, who is the Comptroller and Executive Director of INM, and to my left is Mr. Frederick Schieck, from the Agency for

International Development, who has a statement, and will be testifying on behalf of his agency.

But before I proceed, Mr. Chairman, I would like to point out that we have submitted a errata sheet to the statement submitted to the committee. The amendments should be made in the statement when printed in the hearing record.

Mr. **Rangel**. What is that sheet that you said that you had?

Mr. **DiCarlo**. An errata sheet noting errors that were made in the prepared statement.

Mr. **Rangel**. Without objection, the entire statement with the errata sheet will be part of the record.

Mr. **DiCarlo**. If the chairman would like, I can give a short opening statement; or if you prefer, go immediately into questions on the prepared statement. If you have read the statement, go into the statement. I can proceed in any way you see fit, sir.

Mr. **Rangel**. I would like you to proceed. We know your responsibilities, and I hope that you would give a statement as to how you see the problem, where are we, and where are we going.

Mr. **DiCarlo**. Fine, sir.

Mr. Chairman, the Bureau of International Narcotics Matters has submitted a detailed statement to the committee. I will briefly summarize the major points in that statement, and then respond to your questions.

Since it is not possible at this time to engage the governments of all illicit narcotics producing countries in eradication programs to the degree desirable, numerous growing areas in several countries are not yet subject to control agreements, and some agreements have not been implemented to the needed degree.

Nonetheless, progress is being made and some governments are cooperating on crop control and interdiction. We are not solving or eliminating drug abuse, but we are making progress in our objective of controlling the production and distribution of major illicit substances.

We do not yet have control, but we have established a foundation which improves the possibility that we will gain control.

The narcotics producer countries present different problems, and thus our strategies vary. Under the Single Convention on Narcotic Drugs, producer and transit nations have the primary responsibility for controlling opium, coca, cannabis, and their derivatives within their borders.

Some of these countries require assistance in meeting these responsibilities. The United States provides assistance and believes that the international community should increase its assistance. But we expect these governments to demonstrate their responsibility through commitments to effective drug control programs.

The incentives to act are not just the diplomatic urgings and economic assistance offered by the United States, other governments, and international agencies. Today, there is also the motivation of self-interest.

Domestic drug abuse is key among the factors which we believe are improving the opportunities for narcotics control. Unwelcomed as it is, the abuse of heroin, cocaine, marihuana, and other dangerous drugs is causing social, psychological, economic, and health problems, not only in the industrialized consumer countries, but in nations where these drugs are produced and transshipped.

At the same time, the drug trade is undermining legitimate commerce, creating artificial markets, supporting insurgencies, and spurring both white collar and violent crimes.

There is a growing recognition that the liabilities of narcotics trafficking and drug abuse are outweighing the benefits of illicit profits. This is the basis for our belief that more will be accomplished.

Our formal testimony provides detail on the principal narcotics producing countries within each region. I will briefly review the status of drug control activities.

The primary Latin American objective of the Bureau of International Narcotics Matters is to reduce imports of heroin, cocaine, and marihuana through control of production sources, particularly by assisting the Governments of Mexico, Colombia, Peru, and Bolivia. But obstacles are abundant, especially in South America.

We caution that crop control to the point at which availability of these drugs in the United States is substantially and continuously reduced is a long-term effort.

In one or more of the Latin American producing countries, we have to contend with frequent changes in governments; with competing priorities such as economic and natural disasters; with local populations heavily dependent upon cultivation and trafficking for their principal income; a strong reluctance to take measures against poor farmers who produce narcotics crops; populations indifferent to U.S. interests, or resentful of actions which they see as benefiting the United States, especially where they have been insulated from serious drug abuse to date; traditional chewers of coca leaf whose needs are cited by governments both as a political factor and as a portion of what they identify as legitimate demand; a belief that drug abuse is a U.S. problem which creates the trafficking issue; pervasive corruption; demands that the United States virtually reconstruct the economies of large sections of such countries to induce local cooperation on crop control and interdiction; and even Government involvement in the narcotics trade.

However, the incentives for governments to act, which I mentioned earlier, apply in full measure in Latin America, including the economic problems and erosion of public institutions caused by the drug trade, domestic drug abuse problems, international pressure, and insurgencies that may be linked to narcotics trafficking. This interplay of incentives and disincentives often defines our opportunities for action.

Heroin is our primary concern in both Southeast and Southwest Asia. Estimates for opium production in Burma, Thailand, and Pakistan, and other countries are provided in the appendix to the formal testimony.

Recent military and police actions against the Shan United Army have disrupted the heroin traffic on the Thai/Burma border, and have forced heroin refineries deeper into Burma and south toward Malaysia.

While we applaud both the Royal Thai Government's military actions against the heroin trafficking organizations, as well as the commendable start of the civilian, police, and military opium control assistance projects, and look forward to the opium control strategy now expected later this year, we are disappointed that the Thais have thus far failed to control opium poppy cultivation, even in areas which have benefited from the U.N. crop substitution program.

Our material assistance and training programs have helped the Burmese increase the number of acres of opium crop destroyed and the amount of opiates seized. Nevertheless, the narcotics program in Burma must be viewed as an integral part of the Golden Triangle narcotics phenomena.

As long as Burmese warlords, insurgents, and bandits know that they can enjoy even temporary safe haven in Thailand and Burma, the Thai and Burmese police and military actions and threats will be limited in their effectiveness.

Greater Burmese and Thai cooperation and coordination is an essential long-term goal. In the last analysis, however, real progress in Burma will depend on greater Burmese authority in the poppy growing areas and control over trafficking.

Afghanistan, Iran, and Pakistan are the principal sources of the opium from which over half of the heroin entering the United States is processed. Since we have no cooperative drug control program with Iran or Afghanistan, our regional strategy centers on Pakistan as an opium producer, a heroin refiner, and a transshipment point for other Southwest Asia opium, and on Turkey as a conduit of opiates moving from Southwest Asia to the Near East, Europe, and the United States.

Our objective is to cooperate with the Government of Pakistan in its suppression of opium production, processing, and trafficking in heroin to the fullest extent possible. However, traditional values and customs, market forces, bureaucratic disputes, tribal autonomy, and the time needed to implement development programs make it difficult to eliminate poppy cultivation in all of the Northwest Frontier Province in the immediate future.

The prospect is for application of the Pakistani ban throughout the merged areas, currently the predominant source of opium, with the continued suppression of heroin laboratories, and then gradual extension of the ban into the more difficult to control tribal areas.

Pakistan's relations with its neighbors, its political stability, and its economic progress will also affect the narcotics control effort, as will the flow of opium from Afghanistan.

It is relevant to the scope of this hearing to understand the efforts by the Department to internationalize support for the narcotics control projects.

The U.S. narcotics control strategy includes diplomatic initiatives to achieve greater participation by and program coordination with other governments. In recent months, INM, with explicit support from Secretary Shultz, has been conducting discussions with governments in Canada, Europe, the Middle East, and Japan to seek greater international efforts from them, both bilaterally and through international organizations.

The United States is encouraging larger contributions as well as an increase in the number of donors as a part of a diplomatic initiative which seeks a higher foreign policy priority for narcotics control.

Recent U.S. emphasis has been on encouraging European involvement in coca control programs in South America. UNFDAC is actively promoting an Andean control project in response to an ECOSOC resolution in 1982. We believe that United States urging has been effective in increasing contributions to a limited degree to UNFDAC.

However, the United States is disappointed by both the number and size of contributions to UNFDAC despite recent increases. We are also disappointed by the number of countries undertaking bilateral narcotics control programs.

At this time, we do not believe UNFDAC is living up to its potential, and we are continuing to urge the fund to undertake projects more expeditiously and with greater emphasis on projects which are linked directly to crop control.

In sum, we are pursuing the administration's strategy of priority support for crop control and interdiction in the source countries. The Bureau's program for fiscal years 1984 and 1985 anticipates a continuation and expansion of crop control and interdiction efforts in major producing and transit countries.

Our increased budget centers on the coca and marihuana threat from South America, while expanding our efforts to reduce the influx of heroin from Mexico, Southwest and Southeast Asia.

Thank you, Mr. Chairman.

[The prepared statement of Mr. DiCarlo appears on p. 40.]

Mr. RANGEL. Thank you, Mr. Secretary.

In summary, how would you evaluate international policy in controlling interdiction as it relates to cocaine and heroin?

Mr. DICARLO. We are making progress, but we have not achieved the necessary agreements, and we have not achieved the necessary support that should be forthcoming from the international community in order to make this a truly effective program.

We have, though, in the past several years done some of this. For the first time, we have an agreement with Peru. We are encountering difficulties, but we have an agreement to go into coca control in Peru. The agreement was signed in August 1981.

We have been negotiating with the Bolivians. We have cutoff virtually all assistance to Bolivia in part due to their not making progress on coca control. We are negotiating an agreement with the Bolivians with all of its attendant problems; the fragility of the Bolivian Government, its inability to have a leader stay in office for any substantial period of time.

Mr. RANGEL. The negotiations and discussions that you have, all of these things that you mentioned, have been obtained since you have been in your present position, is that true?

Mr. DICARLO. No, sir. Discussions commenced in the prior administration. But the agreements with Peru have been accomplished in the last year and a half. I do not say that they all started in our administration, but they come to some degree to fruition.

Mr. RANGEL. Do you know if this Secretary or any Secretary of State in the last 20 years has ever brought the question of narcotics up with any of their counterparts in any opium or cocaine producing countries?

Mr. **DiCarlo**. Not only have they brought it up with counterparts in the producing countries, but they have also brought it up with heads of State.

Mr. **Rangel**. Do you know how many people have died in the United States as related to the use of heroin?

Mr. **DiCarlo**. The total figure?

Mr. **Rangel**. Yes.

Mr. **DiCarlo**. From the year 1900?

Mr. **Rangel**. No, I mean this year, or last year.

Mr. **DiCarlo**. We have statistics in the NNICC for 1981. The figure reported there was 930 deaths in 1981.

Mr. **Rangel**. We have a figure of 5,000.

Mr. **DiCarlo**. I believe that might be including all drugs, sir, perhaps even the barbiturates, the sleeping pills, and other drugs.

Mr. **Rangel**. In New York, they gave us the figure of 500 heroin related deaths in New York alone.

Do you have any idea of the percentage of people who are committing crimes or are incarcerated that are drug related?

Mr. **DiCarlo**. I believe I have the statistics given to you Monday, at the select committee hearing if you want me to refer to those.

Mr. **Rangel**. All I am talking about is based on your experience as a former district attorney, as a former legislator. They used to just say it in New York. I have people coming from rural areas telling me the same thing.

Mr. **DiCarlo**. My response is based on my experiences in New York as a legislator. In testimony given to us, as far back as 1965, there was a claim that most crime in New York was related to narcotics.

In questioning those statistics at that time—and this is something that I am not an expert on—but the question I asked was, in view of the fact that the crime rate in New York City at that time was substantially less than in many other cities, that it would appear that if we did not have narcotic addiction, the people in New York probably would have the best people in the world, and the crime rate would have been very low.

Now as to which comes first, the crime or the narcotics, I do not know. I am not an expert on the relationship.

Mr. **Rangel**. I am going to qualify you as an expert, and ask whether or not people that have habits of $100, $200, $300, and $400 a day, and they do not have any jobs, where do you think they get the money?

Mr. **DiCarlo**. There is no question, sir, that there is a relationship. The President has pointed out that relationship, and the Justice Department has pointed out the important relationships.

Mr. **Rangel**. Now that you have talked about the connection between crime and addiction, let us talk about tonnage, as to what has been coming into the country say this year, what is being interdicted. Notwithstanding all the progress, just how much worse has the problem gotten?

Mr. **DiCarlo**. According to the statistics that we have received from NNICC, the amount of heroin coming into the United States, as an example, is about the same in 1981 as came in in 1980, and according to NNICC, the number of abusers of the drugs in 1981 was the same as that in 1980.

Mr. Rangel. Why are we not talking about 1982 and 1983?

Mr. DiCarlo. Because 1982 has not yet gone through the process that these reports go through, and those statistics for 1982 and 1983 have not been officially approved.

Mr. Rangel. All law enforcement agencies say that we are getting more of these drugs in the country, and dramatically more than we have ever had. We have new towns and villages being exposed to it. In other words, the tonnage has increased. I am not talking about the progress that has been made.

Mr. DiCarlo. Mr. Chairman, my reports and the statistics from NNICC indicate that the tonnage is approximately the same. If there is any dispute with those figures, I believe that the proper agency to consult would be DEA, which can evaluate trafficking trends better than I can.

All I can say is this: According to the report that we have from an official Government agency, the NNICC, is that the number of abusers is the same in 1982 and 1981 as it was in 1980, whether it is accurate or inaccurate, that is something that you can make your own decision on.

The tonnage coming into the United States according to this report, which I am sure that you have read, is the same, there has been a slight increase as far as the overdose death rate is concerned. There was a decrease in admissions to hospitals, and an increase in emergency room admissions.

Mr. Rangel. It bothers us that every time that we have hearings that so many of the administration people, and I am not talking about this administration, I mean all administrations, would say, well, that is not my job, or that is in another part, or we have meetings, or there is a task force.

What is wrong with the Congress demanding that one person and one office be responsible to the Nation and to the Congress, and saying what the heck are we doing nationally and internationally, what is so wrong with that?

I mean the FBI is now running the DEA. Customs is controlling the interdiction. You have the Navy and the Air Force out there, and you have the Coast Guard out there. One is in charge of investigations, and the other one is in charge of indictments. Intelligence, I do not know who is in charge of that. We do not even have a director of DEA.

If we had hearings, and we had everyone testifying, and if I were to ask who is in charge of all of this, what would your answer be, who is in charge?

Mr. DiCarlo. The executive responsibility lodges first and foremost in the President of the United States and the people whom he appoints under him.

If you are asking for one person to come here to give information, as a public information officer, there is no reason why that could not be done. If you are asking what is wrong with having one person in charge of the narcotics effort—a person who would have jurisdiction over various departments—I can see many problems with that.

If you are referring to the so-called Czar bill under which one person would control the policy of the United States in narcotics, overriding other departments and other interests, I can think of a lot of reasons terribly wrong with it.

Mr. RANGEL. As long as you have a President, I do not expect one person to be in control of policy. I would just want one person or one office to tell us what the policy is, that is all.

Mr. DICARLO. We do have people who can and do review policy. I believe that there are people who have such overall jurisdiction in the White House. If you are asking them to summarize the policy, they can give you that policy. It is a question of information.

It is possible to have one person with staff to accumulate information, and give you a composite picture of what is going on in the Federal Government. On the other hand, if the Congress wishes to go to each component branch to get more detailed information as to how they are carrying out their individual responsibility, Congress may very well not want a spokesman or a public affairs office to give that information in one block. They may very well seek to have testimony from the people responsible for policy in each agency.

Mr. RANGEL. Mr. Secretary, I am not talking about some public relations officer running around from department to department talking about progress. What I am talking about is that the Nation knows that young people and old people are dying, and that we are spending billions of dollars for jails and prisons, for treatment, that we are losing these lives, that it has moved from the poor urban community and is middle class white America with executives trafficking in cocaine, to have someone believe that it is a national problem.

So when you speak to the President of the United States, and you say who is in charge of this mission, that he gives a name. You know, the names that we know, Meese and Baker. I know that the Vice President is in charge of 12 task forces, but I have too much respect for him to ask him what is happening with the task forces.

I am talking about our belief that there is a national crisis. Now I am not asking you for a response, but I am asking for you to please think about it, and see whether you can see your way clear to be able to help this committee to reach that goal.

Because we need somebody close to the President who is going to be able to demand the attention of everybody that is appointed, and I am not talking about public relations. We also need somebody to contain this Congress as we strike back at those nations that we deem are not making progress as it relates to eradication of drugs.

This Congress is about to get out of hand in responding to the needs of their constituents, not withstanding the diplomatic impediments that you face and deal with.

Mr. DICARLO. I would hope, Mr. Chairman, that the Congress does not get out of hand to the extent that we defeat the very purpose that all of us are interested in, namely in accomplishing narcotics control. If we get out of hand, we may not accomplish what we all seek to accomplish.

The RANGEL. I would like to say that every time the Congress has gotten out of hand that we have reached the conclusions that we have wanted, and thank God, we have had experts like you to put the pieces together, so that we can still maintain relationships with these countries.

Mr. Oxley.

Mr. OXLEY. Thank you, Mr. Chairman.

Mr. DiCarlo, there have been several bills introduced in this session of Congress that would in some way or another restrict foreign aid to countries who were not showing progress in eliminating the flow of illicit drugs into this country.

I am wondering if your particular department has been involved in that at all, or whether in fact you may have testified either for or against those bills, and what the general consensus is within your department about that type of legislation?

Mr. DICARLO. Yes, sir, my department is very directly involved, and I was personally involved. I believe that most of those bills would have damaged our international narcotic effort rather than help it.

Mr. OXLEY. Why is that?

Mr. DICARLO. Well, I have to go through some of the specific bills themselves.

Mr. OXLEY. I would like to keep to the general concept, if we may, and that is the idea that Congress and the administration would cooperate in restricting that foreign aid flow, a quid pro quo, if you will, until there was some progress shown, particularly among some of the countries that we had the most difficulty with.

As you pointed out in your testimony, some are worse than others, and the degree of cooperation among those countries varies. It seems to me that we ought to have some leverage whereby we could maybe make your job easier.

Now I take it that you do not necessarily want that type of help. I would be interested in why.

Mr. DICARLO. For several reasons, sir. I am an advocate of the narcotics issue within my own department and within the administration, and I have pushed the question of narcotics control.

While doing that, I also recognize the fact that we cannot conduct our foreign policy and assistance programs on a single issue. We must take into consideration other facts and other damages that could occur if we only concern ourselves with the single issue.

I think that the Congress to a certain extent has recognized that reality; one of the narcotics control bills presented by this committee contained this exception: if U.S. foreign policy interests were involved, the President could have a national security exception, and continue foreign assistance.

The problem with that kind of an approach is that, while it recognizes the fact that we are concerned about the other issues and that the President may give an exception, that exception would have been granted almost as a matter of law, if I could use that phrase, to the very countries against whom the legislation was directed.

Once granted the exception, for national security reasons, then that country would have almost carte blanche to do what it wished on narcotic control. Since we would have given it an exception, then it need not cooperate. That is one of the problems that we have with legislation such as that.

Mr. Oxley. That exemption, though, would not run forever, would it? My understanding is that it would be up to the executive to determine how long that particular exemption would last.

Indeed if it did not last forever, would that not in itself be some kind of fulcrum that we could use?

Mr. DiCarlo. Yes. But, you see, once we put it into legislation and the exception is granted, it is difficult to withdraw it. The President already has authority to cut off foreign assistance, if in his discretion he deems it advisable.

The problem is this: We go around the world and we trumpet our interest in narcotics, but putting such provisions into statute says our narcotic policy will be in force only against countries where we do not have security interests.

Now what does that do to the international community when they view the United States as picking and choosing among the nations against whom it will exact this kind of requirement in, only nations where U.S. interest is not involved? That sort of thing leads to problems.

Legislation was introduced recently in the Senate which sets up certain criteria. What you mean by progress is a big point in narcotics. Progress many times is defined as having less production this year than last year. When you achieve a 20 percent reduction, you have progress.

That sounds good—on the surface. But we all know that many times there are reductions of cultivation that have absolutely nothing to do with the fact that efforts have been made by the producing country.

An example of that is Pakistan; in 1979 it produced 800 tons of opium. The following year, production was down to 120 tons. Granted some of the reduction was because of an effort by Pakistan, but largely it was because of a drought.

Many times a country can be doing many things to reduce cultivation, yet production increases. But these bills measure progress in terms of increases or decreases in production. You can have a nation which is doing its utmost, and I will give you the example of Pakistan now, which is making a substantial effort to reduce production.

They are down to approximately 40 tons this year from 800 tons in 1979.

Mr. Oxley. Is that through enforcement in their own country?

Mr. DiCarlo. Through enforcement, and through drought, and other factors. But next year, if the rains come, production could go up, even if they increase their efforts. These are the kinds of problems you have when you try to put this type of criteria in statutes.

Mr. Oxley. I can appreciate that. It just seems to me, though, that the American people look at us, and we say we are sending foreign aid to country *x*; and at the same time, they are thumbing their nose at us by sending in substantial amounts of illicit drugs. And to the average person on the street, this does not make any sense, to send them foreign aid, and they send us back illicit drugs that kill people in this country.

That general idea just does not make a whole lot of sense, I do not think, to anybody on this committee or to anybody in the

American public. What we are trying to do is to get some kind of a grasp of that.

We know who the good guys are, and we know who the bad guys are, is that not a fact?

Mr. DiCarlo. Relatively speaking, some are doing more than others.

The question here is not whether foreign policy and assistance can be used as leverage; the question is whether leverage should be in the form of a bill with an automatic termination. The Congress has it within its authority to look over the nations that are doing well and those who are not, and they can make that determination each and every year.

My objection is not that foreign aid should not be considered as leverage by the Congress. My question is whether or not it is to be placed in bills such as were offered.

I am sure that Congress views the question of narcotics and cooperation in narcotics control every time it reviews foreign assistance as it should.

My basic objection is placing it in the statute which makes termination automatic, makes termination based on one issue alone. I think that Congress has an obligation to look at each one of these countries, all the foreign assistance that is being received, whether or not they are cooperating in narcotics, whether they are cooperating in many other fields, and then reach their conclusion based on total U.S. interest.

If we have a country that is thumbing their nose at us, and if it is the collective judgment of the Congress that aid should be reduced or terminated, by all means that is a determination that Congress has every right to make.

My objection, and let me make that clear, is with the legislation that was introduced which would make narcotics the sole criterion, the sole issue, not taking into consideration mitigating factors, and where mitigating factors were taken into consideration, not to make those mitigating factors so broad as some of these statutes did, that would destroy the effectiveness of our policy. That is my objection.

Mr. Rangel. Would the gentleman yield?

Mr. Oxley. Yes.

Mr. Rangel. We are going to recess for 10 minutes, and resume when we get back. But I just cannot resist exercising the prerogative of the Chair in asking you for an answer when we return to this question.

Once the Congress comes to the State Department, and points out the list of countries that are receiving economic and military assistance, and asks the State Department which ones are the bad guys and not cooperating, I can see it now that the answer is, well, that is a relative question, because there is a degree of cooperation. It is true that we would like to see more, but this is a matter that diplomatically has to be handled because you have to understand the deep-seated pride that these people have, and their lack of control over certain parts of the area, and it is a very complicated thing that unfortunately members are not trained to understand. But we are learning.

[Recess.]

Mr. **Rangel**. The committee may resume. Mr. Hughes will inquire.

Mr. **Hughes**. Do you think, Mr. Secretary, that the time will ever come that the Secretary of State would say publicly that any country that's not cooperating with us in reducing the flow of illegal drugs would have their foreign assistance terminated?

Mr. **DiCarlo**. Yes, sir. We have said that already with respect to Bolivia. Bolivia was not cooperating with the United States and we stated that fact publicly. The question arose in the State Department as to whether some assistance should be given to Bolivia, and Congress was consulted, and it was decided that some small amount of assistance would be in effect.

Congress was fully consulted on an issue like that.

Mr. **Rangel**. I'd like to go over the countries after Mr. Hughes inquires.

Mr. **Hughes**. Thank you, Mr. Chairman, and welcome, Mr. Secretary. It's good to see you again.

First, I understand that the Thai Government has communicated a comprehensive plan for crop substitution and eradication in Thailand, and I wonder if you had an opportunity to take a look at it?

Mr. **DiCarlo**. I have a question whether it's confidential.

Mr. **Hughes**. I understand. OK.

Mr. **DiCarlo**. Well, sir, I can answer it this way. In my prepared statement I said that the Thai Government has again promised a comprehensive plan by the end of this year. They have not supplied us with the kind of plan, I think, that you mentioned during my testimony before your Subcommittee on Crime.

The exact contents of that——

Perhaps in an executive session, I could supply the exact contents of the documents we received, since it is not yet public.

Mr. **Hughes**. I see. OK.

It's my impression that there's been some movement between Burma and the Thai Government, that there is some degree of increased cooperation at the Thai-Burmese border. Is that accurate?

Mr. **DiCarlo**. That's correct, sir.

Mr. **Hughes**. Yes. In our dealings with Burma, have we been enabled to effectuate an official presence, DEA presence, in Burma?

Mr. **DiCarlo**. We'd also like to discuss that in private session, sir.

Mr. **Hughes**. All right.

It's my impression that the problem with the Communist insurgency in Burma has not modulated. If anything, it's as strong and ever-present as it has been in the last several years, and that those that are involved in the insurgency still rely upon drug trafficking, basically, to finance their operations.

Mr. **DiCarlo**. Yes, sir. In fact, that reliance at the time of the insurgency was not dependent on the narcotic traffic. That changed about 1978.

Mr. **Hughes**. Have the Burmese established any additional outposts at the Thai-Burmese border, military outposts?

Mr. **DiCarlo**. Again, sir, that is a matter I cannot discuss here. I could have the more appropriate agencies brief you.

Mr. **Hughes**. All right.

You will provide us with executive briefing on these issues?

Mr. DiCarlo. Yes, sir.

Mr. Hughes. OK.

It's also my impression that the Thais, even though they haven't really engaged in crop eradication in many areas, have endeavored to reach into some of these additional hill tribes. At one time, I think that there were some 52 hill tribes that the Thais were working with, trying to overcome some of the basic, historic, traditional problems, the use of the poppy for medicinal and other purposes.

Has there been any increase in the number of hill tribes that the Thais have engaged in endeavoring to develop other crops and assist them in understanding the problems that the poppy has created?

Mr. DiCarlo. Yes, sir, they have. In the past year or so, we have these CMP villages now where many of them, the Thais were not in control. They were in insurgent hands. The Thai Army is present, and they are working with some of these hill tribes at present.

The problem with the Thais, if there is a problem, and I think there is, is that they are willing to work with the hill tribes, they're willing to accept the assistance from the international community to work with these hill tribes.

The problem is that they have been unwilling to date to enforce a ban. They're perfectly willing to work with the tribes, they're perfectly willing to have the international community come in and assist. The problem in Thailand is enforcement rather than the question of crop substitution.

Mr. Schieck. Mr. Hughes, maybe I can add: about 2½ years ago, AID approved a $10 million project in the Mae Chem area which was specifically designed to deal with ecological and agricultural needs of hill tribes in that area.

The area which was selected for work is not a poppy-growing area, although it's very similar to other areas where poppies are being grown, and the key objective of that project is to see if it's possible to increase the agricultural incomes of these people as, in one sense, a demonstration that you don't have to grow poppies, and two, to try to protect the watershed area from slash and burn agriculture.

An important element of this project is to try to develop a culturally acceptable way of reaching these people, who, as you know, are ethnically different than the rest of the Thais.

Mr. Hughes. Well, the difficulty is they speak a different dialect, they're basically illiterate, they have historically used the poppy for all kinds of purposes, including medicinal, and the Thais have been otherwise extremely cooperative. I don't know of any other government that cooperates with us as much as the Thais when it comes to intelligence-gathering, good hard intelligence-gathering, willingness to permit couriers to go through to other countries, so that we can develop long-range intelligence information.

Their airport surveillance operations are a model, so insofar as other forms of cooperation, the Thais have been outstanding.

Mr. DiCarlo. One of the questions that's raised was raised by the chairman and by Mr. Oxley was about the automatic termination of assistance where one factor is not present, namely, do we automatically terminate without consideration of military problems, value of the frontline state, the question of refugees, the question of substantial other cooperation in narcotics?

Do we automatically terminate all assistance on the criteria of substantial cooperation on production? The position we've been taking is that operation certainly should be one of the elements for consideration, and maybe an overriding element, but we cannot support legislation that makes the sole criterion in deciding whether or not we terminate all assistance, and that was one of the reasons why we have problems with——

Mr. RANGEL. If the gentleman would yield, I think in all fairness that as relates to national security, before we transmit a provision of any legislation where the President would waive it—but I ask the gentleman, with all of this cooperation with Thailand, the Secretary's indicated their unwillingness to enforce a crop substitution, and I don't consider that cooperation.

Yes, it's one factor, and I think the Congress should react to that one factor, unwillingness to enforce crop eradication, and I submit that all of these countries have priorities that we could consider that would make this unwillingness seem like nothing if this country made it abundantly clear that this was a threat to our national security.

Mr. HUGHES. You know, I just want to say, and I don't want to dwell on this too very much longer, because I have a couple other areas I want to question you about, but I think in my own visit to Thailand, and I've been there a couple of times, I found that the political situation didn't lend itself often to the type of crop eradication.

The King feels very strongly, you know, in his efforts to protect the hill tribesmen, the Thais have really been struggling to try to come up with a comprehensive program, given all the geopolitical, social, economic problems that exist at the border, and frankly, I must say that I agree with your assessment, that it would be counterproductive to endeavor to even threaten the Thais with a rescission of aid, because the cooperation that we've received in other areas is extremely important.

That doesn't mean that we shouldn't continue to put the pressure on for a comprehensive crop substitution and eradication program, a followthrough with eradication when in fact crop control is ineffective when the hill tribesmen ignore it, but we have an amendment on the books right now, the Rodino amendment, that we don't enforce, or we enforce selectively, if at all, for the reason that it could prove counterproductive.

Mr. DICARLO. While agreeing with much of what you say, I think that we have to maintain the pressure, we have to maintain and arouse public opinion. I think we have to put the kind of pressure on the Thais.

The problem we have is that there's no evidence, even, that they're willing to stop new cultivation, and this is the problem I see there. So there is a role, and I've been accused by——

Mr. HUGHES. I think I've said that. I just don't think that it would be wise for us to, you know, threaten these countries with an absolute rescission of aid, for the reason that what if they called our bluff? Where would we go for that type of cooperation and assistance?

Then of course in some countries, such as in South America, we're not providing aid. How do we cut aid off when we're not providing any?

Mr. **DiCarlo**. This is the question I was going to raise. There may be some people in the country at large, and a few Members of Congress, who believe that we are providing very substantial amounts of aid to these countries, and we are not. In most cases we are not providing the kind of aid that would make assistance the ultimate leverage point.

It is not the leverage point.

Mr. **Hughes**. Has the State Department ever exercised the Rodino amendment? Have they ever implemented the Rodino amendment, ever denied aid to a country?

Mr. **DiCarlo**. Yes, sir, Bolivia. There was no formal invoking of the Rodino amendment, but all aid to Bolivia except humanitarian aid was terminated from 1980 through 1982. There are only a few dollars that are now going to Bolivia.

Mr. **Gilman**. Would the gentleman yield?

Mr. **Hughes**. I'd be happy to yield.

Mr. **Gilman**. Did we make an official proclamation to Bolivia that the cutoff was due to their failure to cooperate with this narcotic——

Mr. **DiCarlo**. At the time, the cutoff was based on narcotics, and on the question of human rights and democracy. It was very specific. I have been involved in negotiations with three Bolivian Governments—they change very frequently—where it was specifically stated that we would expect some substantial progress on narcotics control before we renewed them assistance.

We did that, and as I said before, aid was resumed in a very small degree, still being conditioned on performance in narcotics. We consulted with Members of Congress who were interested in the issue. Now, there were different viewpoints within the State Department, but after consultation with Congress—a decision was reached, and there is a limited amount of aid going to Bolivia. We are now conditioning any substantial aid to Bolivia on their entering into a narcotic control agreement.

So the answer very definitely is yes, we have done that.

Mr. **Hughes**. What is our AID program to Peru?

Mr. **DiCarlo**. Excuse me?

Mr. **Hughes**. What is our AID program to Peru?

Mr. **DiCarlo**. Currently we have a program together with AID of $18 million——

Mr. **Hughes**. You mean all assistance to Peru?

Mr. **DiCarlo**. $70.9 million.

Mr. **Hughes**. How about Colombia?

Mr. **DiCarlo**. Colombia is—excuse me, it's—if we look at 1983, $16.4 million. Now, these are the kind of numbers that people talk in terms of cutting off assistance, we believe could be counterproductive. It could be the thing they pick up on as an excuse not to cooperate.

Colombia has been cooperating with the U.S. Government, but we are not supplying that kind of assistance. Other legislation in the Senate would cut off our trade, and the balance is in favor of the United States. We probably would suffer more in a cutoff of trade than these countries would.

So all I'm saying is by all means, the Congress should consider aid, consider cutting aid to a country that doesn't give assistance, if you deem after examining all the facts that it's warranted. Our objection is just to put into a bill with arbitrary criteria, not taking into consideration all of the facts and factors of United States policy, that, we believe, is counter-productive, and that we oppose.

Mr. HUGHES. Mr. DiCarlo, what is our AID program to Jamaica?

Mr. DICARLO. The AID program in Jamaica is $118 million.

Mr. HUGHES. What do you estimate is the size of the marihuana crop coming out of Jamaica to this country now?

Mr. DICARLO. About 1,200 tons.

Mr. HUGHES. OK. So basically, Jamaica is receiving as much aid as all the countries in South America, Colombia, and Peru, combined, which supply us with about 80 percent of the cocaine and probably up to 75 percent of the marihuana?

Mr. DICARLO. That's correct.

Mr. HUGHES. OK.

How much of the territory in Colombia in particular, which is becoming an increasing problem for us because now the Colombians are developing their own capacity to make coca paste——

Mr. DICARLO. I'll use rough estimates of between 6,000 and 10,000 hectares.

Mr. HUGHES. How much of the territory in Colombia is under the control of the Central Government?

Mr. DICARLO. There are insurgent groups throughout the area. It's an area where the Government can go in with equipment and take care of the problem, and there's an area where we are assisting the Colombian Government, and the Colombian Government is interested in cutting down their coca production.

Mr. HUGHES. You didn't answer my question.

Mr. DICARLO. Excuse me. I might have missed it.

Mr. HUGHES. My question was: How much of the territory of Colombia is under control of the Central Government?

Mr. DICARLO. I would say it's a question of lack of presence. Much of that area is not mapped as yet. I cannot give you an estimate; if they don't control it, who controls it?

Mr. HUGHES. They have military outposts in some of the areas, and as I understand it, roughly 60 percent of the territory of Colombia is not presently under government control, that insurgent groups are controlling it, for the Llanos, in many areas of Colombia. The same is——

Mr. DICARLO. I'm sorry. While the government may not control it, others may not control it either, but by the government not being there, others can be there.

It doesn't mean that the area is under insurgent control, because the government does not have an outpost there.

Mr. HUGHES. Well, the traffickers have a fairly free rein, don't they, in roughly 60 percent of Colombia at the present time?

Mr. DICARLO. If by free rein you mean the government cannot react, I would say no. I think the government, given equipment, can move in, can force and can cut down——

Mr. HUGHES. That's a hit-and-miss proposition.

Mr. DiCarlo. You're asking whether or not it can maintain a sizable force there and control that territory—I don't know. I couldn't give you specific percentages or sizes——

Mr. Hughes. Well, they don't have a police presence in the provinces, the outlying areas, just military.

Mr. DiCarlo. They would use police and military from other areas of Colombia in order to reach those areas.

Mr. Hughes. OK.

My time is up. I'm really way over the limit. Mr. Chairman, could I just ask one more question and I'll be finished?

Mr. Rangel. Sure.

Mr. Hughes. Why is it that we do not have a drug enforcement presence in Switzerland from the State Department's perspective?

Mr. DiCarlo. I think it's one of the questions we can give you an answer to off the record, sir.

Mr. Hughes. That doesn't make sense to me. I mean, we have an FBI presence, we have the presence of other agencies in Switzerland, it's a major branch of that center, banking center——

Mr. DiCarlo. I would just suggest that perhaps that is one of the reasons—because of the number of other law enforcement personnel there already—but we can take that up——

Mr. Hughes. Yes, I'd like to take that up with the State Department, because that troubles me.

Thank you.

Mr. DiCarlo. Thank you.

Mr. Rangel. Mr. Gilman?

Mr. Gilman. Thank you, Mr. Chairman.

Mr. Chairman, I join my colleagues in welcoming the distinguished panel to our hearing. Mr. DiCarlo, what progress are we making in the United Nations Drug Abuse Council for a global strategy? You and I discussed those when we were at the meeting in Vienna. Has there been any progress made in implementing a global strategy amongst the United Nations members?

Mr. DiCarlo. As far as UNFDAC is concerned one of the things we have attempted to do, and I don't know if this is what you have in mind, is encourage a greater participation on the part of UNFDAC and other United Nations agencies in the Andean region. We are moving along in the Andean region, and we're attempting to get others in. There was a meeting I'm sure you're aware of in Costa Rica several months ago where we had five potential donor countries attending, meeting with the Bolivians, the Colombians, and the Peruvians on that issue.

That, I think, was the greatest advance we've made since the meeting in February.

Mr. Gilman. That's truly not a full global strategy initiative. Has there been any further result from our pushing the proposal for global strategy at the United Nations Organization on Drug Abuse?

Mr. DiCarlo. You were there when the global strategy was adopted in 1981, and as you and I know, the only real funding that the United Nations has for narcotics control is through UNFDAC.

So the programs that are being carried out basically implement that kind of a strategy through UNFDAC.

Mr. GILMAN. UNFDAC has had extremely limited resources. I understand that there's just a little over 40 nations that have contributed $7 million, is that right?

Mr. DICARLO. Absolutely correct. The international community has not responded, as I and many other people believe they should. The Government of Italy is indicating it has available $40 million to be spent over a period of 3 years, which would be a substantial contribution. They are interested in an Andean project, and hopefully they will make a large contribution—which would change the amounts you're talking about.

Mr. GILMAN. Well, with only $7 million in 40 countries involved, we don't have much of a global effort at the present time, do we?

Mr. DICARLO. No, I fully agree with that statement. We have a great deal of talk at U.N. bodies; we have many, many meetings—a great deal of deliberation, and a great deal of pontificating—but thus far the international community has not made the kind of effort that I believe they should and I'm sure you agree.

Mr. GILMAN. That, despite the fact that in the General Assembly we adopted a resolution calling for a global effort, a global strategy, and despite the fact that the United Nations Fund for Drug Abuse Control adopted a global strategy task force, I don't see any plans coming forward or any more initiative except the adoption of those resolutions.

Mr. DICARLO. The Andean meeting was a substantial step forward. If we succeed in getting European and other countries involved in the Andean region, that would be a giant step forward in addressing the problem that we're facing in South America.

Again, a real problem we face, which is linked to the question raised by the chairman about legislation, is that it seems to many peoples and many countries that the only nation interested in the problem is the United States.

People in many countries view it as a U.S. problem, and as long as it's viewed that way, we are not going to achieve the kind of success that we should. The effort by the United Nation, or UNFDAC, to go into the Andean region, bringing other countries in on a bilateral or a multilateral basis through UNFDAC, I think, could correct that situation.

Mr. GILMAN. I thought we were well beyond that perception when other countries start seeing the growing incidence of drug abuse and the growing number of hardcore addicts in their own countries, for example, in Western Europe and in some of the Latin American countries.

Even in Mexico today, we see an increasing number of abusers, an increasing volume of trafficking within their own countries and the producing countries.

Mr. DICARLO. There's no question about that, but I'm not referring just to those consumer countries; I'm also referring now to the producer countries. The issue has not been brought home to them by enough other governments; the diplomatic initiatives on this issue are made by the U.S. Government. The public expressions of concern about source country production have largely come from the United States.

Our Congress is active on the issue; this is not the case in other consumer countries. Although it's also their problem, they've not yet translated that problem into concern to the extent where the consumer nations are contributing to the narcotics effort, or, making known their public displeasure with countries that continue to produce narcotics.

The result is that, where we are the only ones who raise our voices on this issue, people in countries where the product is produced have a perception that we are also the only ones who are really only concerned about the problem.

This situation does not make it easier for us; it does not make it easier for the governments of producing nations to do something; it makes it more difficult. That's why we believe the effort to achieve greater international cooperation, along with our bilateral efforts, is important.

Mr. **Rangel**. If the gentleman would yield.

Mr. **Gilman**. I yield to the Chair.

Mr. **Rangel**. Whose voice is it that is being raised? If you're talking about it's only our voice, whose voice? What personality is this voice that's resented so much by these countries?

Mr. **DiCarlo**. What I'm suggesting to you is that when a country cooperates, for example, Thailand; cooperation on border action, or when a country wants to cooperate on eradication of poppy or the other narcotics control projects, the newspapers are replete with statements that the reason why it's being done is because of pressure from the U.S. Government. Who raises the narcotics issue? Our Ambassadors raise the issue and speak about it publicly.

Mr. **Rangel**. Why is it that we don't hear it here? I mean, why is it always in foreign papers when our voices—you're saying that the voice that the offending nations hear is that of Ambassador Kirkpatrick?

Mr. **DiCarlo**. When people are representating the United States or making speeches before international organizations, they do speak of the problem of drug abuse. The President of the United States, when he speaks about drug abuse——

Mr. **Rangel**.When does the President of the United States speak about international trafficking?

Mr. **DiCarlo**. When does he speak about it?

Mr. **Rangel**. When did he speak about it?

Mr. **DiCarlo**. Well, sir, if you want the times and conversations he's had with officials, I'll furnish that to you.

Mr. **Rangel**. I'm taking Mr. Gilman's time.

Mr. **Gilman**. No problem.

Mr. **Rangel**. I've heard your voice, and I hope that you will provide this committee as to where those other voices have been, with the exception of the First Lady.

Mr. **Gilman**. Thank you, Mr. Chairman.

Let me add, Mr. DiCarlo, we're very proud of your efforts, but the more we look at the problem, the more we recognize that this is not a unique problem to our own Nation, it needs global cooperation.

That was, of course, the initiative you and I engaged in, in the Assembly, the U.N. General Assembly, and over at Vienna in UNFDAC. It's been apparently all rhetoric, and not very much action associated with it.

The fact that they're unwilling to provide the funds, the fact that they're unwilling to come up with a workable worldwide strategy and try to implement that, there's something sadly lacking, and I'm asking you what you suggest that the Congress can do to help bring about a better global strategy in this problem.

Mr. DiCarlo. My full statement gives us some of the affirmative things that are occurring in the international community.

There are meetings taking place among donors who want to contribute in Pakistan, and there is a real possibility of the international community joining that effort. As I mentioned, the international community has been discussing cooperation in the Andean region.

We've had excellent cooperation from governments like the Federal Republic of Germany, which has contributed money to this effort. Norway has probably contributed more per capita than any country. It's a small country, but it's contributing. It's interested.

Interest is being generated. What can we do? What can the Congress do? I think that legislation, which I've discussed before, could be counterproductive and could damage our effort. I think you'd have to consider seriously whether or not that's the way Congress wants to go, and whether, considering the kinds of assistance we give to most of these countries, whether they may not take that as public blackmail rather than leverage against them, because these moneys are rather small.

I think we have to be careful with that. I think what Congress can do also is when members take trips around the world to discuss very important issues, that they remember that narcotics is also an issue. I know you people do it. But when your colleagues go to countries that produce narcotics, hopefully they will take that issue up, in private or in public, to let the governments know we are all interested.

Too many times we find that we inform, I won't say "warn," other countries of the great interest that Congress has in this issue and the American people have in this issue, but when the delegations go and the issue is not mentioned, they tend to doubt that they really are that kind of thing.

What you're doing is——

Mr. Gilman. If the gentleman would yield, Mr. DiCarlo——

Mr. DiCarlo. Yes.

Mr. Gilman. As the Assistant Secretary for International Narcotics Matters, I would hope in like manner that you would remind our Embassy personnel overseas that when they brief our members coming into those areas they raise the issue with some of our foreign delegations. I've sat in those briefing rooms and listened to the briefing lectures, and have failed to hear narcotics as a high-priority item.

I would hope that you would remind your colleagues at other Embassies around the world that this is an important issue to be raised when these delegations come out, and I'll be pleased to yield.

Mr. Rangel. You make a great deal of emphasis that we only deal with $20, $50, $100 million, but even if I was to agree with you that the money may be, as you say, counterproductive to threaten them, isn't it a fact that most of these nations are very sensitive to the stigma of the fact being publicized that, one, they're not cooperating with the United Nations, and two, that a country as great and as powerful as the United States feels so strongly about the trafficking in drugs that it's cutting off economic assistance?

When it comes to Turkey, when it came to Mexico, I don't think it was the dollars as much as it was the fact that they did not want the family of nations in the world to perceive them as opium pushers.

Mr. DiCarlo. I agree wholeheartedly that one of the most effective tools we can use is to bring this problem to the attention of the nations of the world, and identify the people who are causing it. But, I differ as to the kind of reactions we would get if we said that we were going to cut off all assistance to a country.

We've visited officials in many countries to urge other governments which give narcotic-related assistance, to connect that assistance on the condition that these governments do something about the narcotics problem.

It's a very difficult thing to do. Many of these countries won't hear of it, won't do it. Some of them are starting to listen now, and hopefully they'll connect it, too. But I don't believe you're going to have the sympathy of the world if the great United States cuts off all assistance on this issue.

That would be counterproductive in most cases. The Congress should take into consideration cooperation on this narcotics control. Any time a budget comes before Congress, it should take into consideration with all of the other issues that come before it and reach a decision.

I don't think you can get cooperation with an arbitrary piece of legislation which says that if you don't cut production 20 percent, we're going to cut off assistance. A country may try to cut production but, if there's a good rainfall that year, they may suddenly have more production. If we cut off the assistance, that might make us the laughingstock of the world rather than be considered or construed to be serious.

Mr. Gilman. Mr. DiCarlo, you mentioned that there was only Bolivia that we were having a problem with, is that correct?

Mr. DiCarlo. No, sir. The question was raised whether the State Department had ever invoked the Rodino amendment. I answered that all assistance was cut off to Bolivia.

We have problems with many countries.

Mr. Gilman. What other nations are not cooperating with us with regard to our narcotics efforts?

Mr. DiCarlo. Well, to say "no cooperation," I have to go to countries we don't have any relationship with, such as Afghanistan, Iran, and Laos. We have different degrees of cooperation with every other country, and if I can go through them I'd be very happy to give you some of the——

Mr. Gilman. Is Colombia cooperating?

Mr. DiCarlo. Yes. Let me point this out about Colombia: We and Colombia have been cooperating on narcotics enforcement for many years. Recently, Colombia has interdicted more marihuana than we have interdicted along the U.S. seacoast.

Colombia has also been cooperating in the eradication of coca. The question comes up now whether or not Colombia will go into aerial herbicidal eradication of cannabis. I want to point out that until January of this year, we were unable even to discuss the issue with Colombia, not because the prior Government of Colombia didn't want to discuss it, but because of restrictions passed by the Congress and signed by the President of the United States.

The amendment preventing U.S. support for the use of paraquat was repealed in December 1981, and in 1982 we had to comply with the very cumbersome request mandates of the National Environmental Protection Act [NEPA].

Those requirements were not completed until December 1982. Now, whether Colombia is going to go into aerial herbicidal eradication ultimately is going to be a Colombian determination. We of course will be expressing our viewpoint, but it's their determination to make, and Congress can react as it sees fit.

What I'm trying to indicate here is that, while we have excellent cooperation with Colombia, we were even able to discuss the issue with them until January of this year, because of U.S. laws—laws which were on the books for several years—and we suggest that perhaps patience might be better. I'm not going to say we're going to be successful or not successful, but I will say I think it would be counter productive, if a few months after we were able to discuss the issue with Colombia, the U.S. Congress said to Colombia: If you don't decide in 1 or 2 or 3 or 4 months, we're going to cut off aid. I think that could be counterproductive.

Mr. Gilman. Separating for a moment the paraquat spraying of the marihuana production in Colombia, has Colombia coca production, the cocaine production, decreased or increased in the past year?

Mr. DiCarlo. Cannabis production has decreased in the past several years. Coca production has increased in the past several years.

Mr. Rangel. That's exports received here in the United States.

Mr. DiCarlo. Yes. It's on the decrease.

Mr. Gilman. What about Peru, Mr. Secretary?

Mr. DiCarlo. The production estimates are that coca production is increasing in Peru and in Bolivia. One of the points we make in visiting other countries is that we've reached the point where the production in many of these areas is so great, that cocaine will be exported elsewhere. We warn them it's going to be found in Europe and it's going to be in those countries in South America, where they're experiencing their own abuse problem.

These we see as some of the factors that will enable us to succeed. The problem is worsening in Peru, the problem is worsening in Bolivia; in Bolivia there's very little presence of the Bolivian Government in many of these coca-growing areas.

The fact that we terminated all assistance to Bolivia since 1981 has not decreased the production in Bolivia. But we are giving substantial assistance to Peru, and they had agreed to eradicate some 4,000 hectares of coca in the Upper Huallaga region in the 1983 and 1984 period, and I understand that little is being done.

As we've discussed on a prior occasion, we've expressed great concern over the fact that the timetable in Peru is behind schedule. I've been there——

Mr. Rangel. Whose timetable?

Mr. DiCarlo. Their timetable is behind schedule. When I was in Peru several months ago with the Attorney General, we expressed concern about these delays. If you want me to go into some of the reasons, I will review the explanation given by Peru.

Mr. GILMAN. If they don't meet the obligation, we'll then stop the project?

Mr. DICARLO. Peru started the voluntary phase several months ago. We hope it continues. If it does not continue, and we reach the conclusion that they are not living up to the agreement, and that not living up to it is intentional, we certainly have the authority to terminate the project.

Mr. GILMAN. Mr. Secretary, what about Jamaica, who's a friendly nation? We have some arrangements with them yet we understand that production of some of the best marihuana in the world is still coming out of Jamaica in a heavy amount.

Mr. DICARLO. That's correct.

Mr. GILMAN. Are we getting cooperation from Jamaica?

Mr. DICARLO. We're getting some cooperation, but not to the extent that we would like.

Mr. GILMAN. What do we do with Jamaica, then?

Mr. RANGEL. With the cooperation, the crops have increased and——

Mr. DICARLO. In Jamaica, there has been no sustained effort to eliminate the marihuana crop. They've taken some action on interdicting drugs on the airstrips that are used by traffickers to come in and out of that country. If you want to go further on this, I would prefer to discuss Jamaica in executive session.

Mr. GILMAN. There's even internal criticism in Jamaica today from parents who are concerned about their own youngsters becoming involved. They are looking to us to put pressure on their own government.

Mr. DICARLO. There's internal pressure. As we point out in our statement, one of the reasons why we think we have an opportunity to succeed, where formerly we did not have this opportunity, is because internal pressure is being placed upon governments.

But I would point out to you that pressures in the other direction are probably equal to or perhaps even more substantial.

Mr. GILMAN. Mr. Secretary, what about another country that we work closely with, Pakistan? Has the production gone down, or has it increased?

Mr. DICARLO. Production has gone down. However, while production has gone down from 800 tons in 1979 to about 40 tons now. I will not attribute the bulk of the reduction to action by the Pakistani Government.

There was a drought in Pakistan which caused some of the reduction, as did the downward pressure on opium prices, a result of earlier bumper harvests.

But, I think we are making our greatest progress in Pakistan. The U.N. had a project in the Buner, and last year the Pakistanis eradicated the bulk of the crop growing in the Buner.

We entered into an agreement with them in the Malakand Agency, and upon the signing of the agreement with preliminary estimates it's gone down from 800 hectares to approximately now where it's 450, all of it, substantially all of it, will be eliminated by the next growing season. If you want a more complete report, the gentleman here to my left is from the Agency for International Development and will be very happy to give you information on a proposed project in the Gadoon-Amazai area.

An AID team has been there, and there are now plans to eliminate opium poppy in this area, which contains about 50 percent of the remaining opium poppy cultivation in Pakistan.

Again, if you'd like to hear more about that program, we have a gentleman here from AID.

Mr. GILMAN. I note that my time has run out. I thank you, Mr. Secretary.

Mr. RANGEL. Do you have a time problem, Mr. Secretary?

Mr. DICARLO. No, sir.

Mr. RANGEL. OK, good.

Mr. Shaw?

Mr. SHAW. I would like to follow up a little bit on the line of questions coming from the chairman a few moments ago, and in regard to the United States speaking out in one voice.

I would like to point out the observations of the Congressmen who did travel to some of these countries with the express purpose of investigating the drug problem.

Just last November we were briefed by the various Embassies around the world.

I would throw this out to you, if their presentation to us, their representation to us, the Members of Congress, is anywhere parallel to the emphasis that they are putting on the drug problem, I would say that we are not speaking out in a loud enough voice.

We found instances where the problem was minimized to us, as Members specifically designated to study that particular problem.

We found contradictions between what the ambassador would tell us, what the DEA would tell us, and what the field hospitals would say in the same country.

We also found, I will for obvious reasons not mention the country I am discussing, in one of the more important countries of the world, where we do have a very definite problem, that the Ambassador was absolutely unaware of what was going on in the drug area. This left me very concerned.

I also would like to express to you the concern that I have that within the State Department that, although—and I know it has been repeatedly said by the Secretary of State, as well as highly placed administration officials, that the drug problem is one of the No. 1 problems and No. 1 objectives. I just don't think that has happened.

If you talk to Colombia—and you talk about them cooperating—some of their high officials were here and met with this committee several months ago; and they were actually misrepresenting what is going on in Colombia.

We, talked about, for instance, paraquat as something that was extremely foreign in that country, and they didn't know anything about it. It is the most commonly used herbicide in Colombia today; and it is used on their crops. They denied it, as if we had never talked to anybody outside the room; and by their saying so, it would make it true.

So, I have serious questions.

You talk about the Colombian Government. I know they cooperate with us in many, many ways, but the bottom line is, and continues to be, that they are still out there producing 80 percent of our drug problem in this country, in the area of marihuana and cocaine, and they are continuing to do so.

It is not just simply an accident of geography. I think that we should—I know that we cannot do this by ourselves, but I think we should start talking about what we are doing in the United Nations, and that we should force the United Nations to do something to absolutely isolate the nations of the world who are not cooperating. Those who are not giving their best efforts we should and to investigate those that are continuing to supply the world markets with narcotics.

I am tired of going down to these—countries, and talking to these representatives that come to Washington, and they seem to continuously say that it is our problem, you can play that record over and over and over again.

But the problem is that we are an affluent country. Any affluent country is going to have the problem that we have because of the freedom that we have, as long as these other countries, particularly the Third World countries continue to produce the products that have given us this problem.

Would you care to comment on that?

Mr. DiCarlo. Yes, I think—generally, my problem here is that what you are telling me is basically the message we convey when we travel.

I think that what we are saying, in effect, is: What kind of a forum do we use? What is the most effective and the most efficient way of accomplishing our objectives? We may differ our approach.

As regards the three individuals who came here from Colombia, I don't believe they were high public officials. They were here under an executive observation program. While they had some association with government, they were certainly not representing the Colombian Government on their visit to the United States.

Mr. Shaw. I hope not, because, as I recall, the Colombian Government did, at one time, advise us, they would consult. First, they would go ahead and try to keep it in focus—with them in mind, this committee, and every member of this committee worked hard for the elimination of that particular law so that we could go ahead.

Mr. DiCarlo. First, there was no guarantee on the part of any government that repeal of the law by Congress would trigger action on their part.

Second, a new government came into office in August of last year——

Mr. Shaw. OK, but a statement by their President that he would go ahead with the U.S. program. I realize that this was the former President.

Mr. DiCarlo. I understand that there is a question about that statement by the former President.

In any event——

Mr. Shaw. I believe that the Minister—they had the title incorrect—the Minister of Health—publicly stated that they would never allow the use of—marihuana——

Mr. DiCarlo. That was the Minister of Health, and that is a question that the Colombian Government is now considering. It is their decision. I don't want to indicate that we are being detached. I am just trying to indicate it would not serve our purposes for me to express opinions publicly on what they should or should not do. I think it would be counterproductive.

I would be very happy to discuss the issue in camera.

Mr. **SHAW**. I think, faced with the situation where we may say that the government is cooperating, that the results are nonexistent.

Mr. **DICARLO**. I am saying that it took the Congress 2 or 3 years to wrestle with this difficult problem. I am merely suggesting that, considering the direct impact on Colombia, they should be given at least a few months to consider it before any conclusions are reached. I am saying that to put a deadline of 3 or 4 months on their making a decision would be counterproductive.

You are in Government; what would happen if someone reversed the position and said we want a decision from you in 2 or 3 months, or we are going to do *x*.

This is an important question, and I am merely trying to suggest that the way to handle it is not with an ultimatum that says you have 3 months to make a decision. We took 2 or 3 years to decide the issue, but you are saying to Colombia, do it in *x*-amount of time. I think that would be counterproductive.

The only thing I am trying to put forward to you here is that.

Do you want me to discuss what I am going to do, in the event they say no?

I am going to assume that the Government of Colombia is considering the issue, that it will consider all the angles; and will see it in their benefit and say yes.

I certainly will not, in a public forum, assume a no, and then say what I might do.

Mr. **SHAW**. With regard to Jamaica, they have got perhaps one of the most friendly governments and one of the most progressive Prime Ministers in our hemisphere. Yet, we haven't seen any headway.

Mr. **DICARLO**. Again, I would rather go more deeply in detail on that subject in an executive session.

Mr. **SHAW**. Let's take the Bahamas.

What is happening on the island of Andros? Obviously, the Bahamian Government has lost control.

Mr. **DICARLO**. I don't have information about the island of Andros, sir.

You know we have a continuing operation in the area, with an extensive deployment of U.S. resources. I understand this committee is familiar with that operation.

Mr. **SHAW**. One last question. I was in Thailand with Mr. Hughes, and we got a commitment from the Thai Government, that they would come up with a program in a very few months, that would have been the first of the year. That time has passed.

At the time of our trip, the Ambassador was very complimentary, saying that he had been trying to get a commitment for some time, and that this was the first time that any had been given.

Have they come forward with that particular plan, that they had submitted to us?

Mr. DiCarlo. The Thais did indicate to the international community that they would come forward with a plan for such a program, and I believe they will come forward with such a plan, although the original date has been passed.

Mr. Shaw. I want to check with the Embassy down there, because they did make a commitment, and there was——

Mr. DiCarlo. The commitment was made to Congressman Hughes for the month of February.

We did not receive a plan in February. We received a communication dealing with an overall plan, but we don't believe that was the kind of plan that Congressman Hughes had in mind.

Mr. Shaw. I passed it along to the Ambassador—and Congress is following up on it, to see that the Thai Government fulfills it, and we——

Mr. DiCarlo. I am sorry, sir, I didn't hear——

Mr. Shaw. We might tell our Ambassador to Thailand that the Congress did make an inquiry into what the Thai Government had done in fulfilling its commitment to us—to come up with a plan.

Mr. DiCarlo. In my initial statement, I indicated that they have now said that the plan would be coming the latter part of this year.

I certainly will convey your sentiments to the Thai and to the Ambassador.

Mr. Rangel. We are going to have a list of countries to convey sentiments to. But that is good for openers.

Mr. DiCarlo. I think it is excellent.

Mr. Rangel. Mr. Towns?

Mr. Towns. Thank you, Mr. Chairman.

As we move around the country and talk to people who are concerned about the drug problem, people that have been involved in the treatment end of it, who have been involved in terms of the law enforcement, who have actually been in the various departments from time to time, have—stated that there is no way that we will have an effective interdiction program, no way that we will have an effective treatment program; there is no way that we will be able to bring this problem under control, unless we create a czar, a person at Cabinet-level position to begin to coordinate the activities.

I would just like to get your response to that.

Mr. DiCarlo. If a czar means someone with virtually absolute—but not absolute authority because he could be certainly subject to the President. As I read the original bill that was introduced creating such a position, this person would be able to override decisions of all agencies.

I don't know whether we would want someone determining all aspects of U.S. policy based on the single issue of narcotics. It presents some difficulties.

To what extent will this czar have the power and the authority to set policy that might conflict with other foreign policy decisions considerations in a country considered stategically important to us?

What do you mean by a czar? Do you mean a person with authority to override all agencies on the single issue of narcotics? Is this czar really not a czar if he is subject to somebody else? I don't know what the term means.

But in its absolute sense, a czar is someone with absolute authority, and I believe that no one in the U.S. Government can have absolute authority.

So, I think we would have to define what we mean by czar before I would be able to give a reaction to it.

Mr. **Towns**. All right. Let's just sort of—put it into this light.

As it stands, now, as you know, there is a great deal of fragmentation, and that when we talk about interdiction, we talk about combating the problem—you know we have talked to the various agencies in the various departments, and they have complained about not having the necessary equipment to be able to apprehend in many instances, and we feel that if we have a czar, a person would be able to look and to be able to use the resources to go out and to do the job that is necessary, which means the military and justice and customs, and whatever is required——

Mr. **DiCarlo**. That is what I am talking about. I would oppose——

Mr. **Towns** [continuing]. In coordination.

Mr. **DiCarlo**. I would oppose anyone, any czar, being able to go to the military, and say: Whether you like it or not, we are going to take your AWACS from you because we need them for narcotics. I don't think we can have a narcotics chief or czar who can override the decisions of the military.

I think there is an aspect of military preparedness that has to come into play in decisions on resources.

So, again, if you created the czar—and you invested him with those kinds of powers—he could decide the narcotics program now needs *x* number of dollars now going to the military and the Congress will appropriate it.

Mr. **Rangel**. Would the gentleman yield?

Mr. **Towns**. Yes, sir.

Mr. **Rangel**. Please understand, Mr. Secretary, it would not be "our czar."

Mr. **DiCarlo**. Our czar.

Mr. **Rangel**. OK.

Mr. **DiCarlo**. That is right.

Mr. **Rangel**. So, if you have a dopey czar that is going to run around threatening to take away AWACS—you know, we are talking about impeachment.

You know, I assume that you pick an intelligent person that is not going to do these things that you are afraid of, that all he is going to do is to advise the President that the next time you talk with this other nation, that you let him know that the President is willing to intervene.

Mr. **DiCarlo**. Well, this is——

Mr. **Rangel**. The things that you feel, you act as though there is going to be a congressional czar, and I would share, you know, in your fears, if it were.

Mr. **DiCarlo**. Well, some of the committees we go before, I think they are unhappy about——

Mr. **Rangel**. It is going to be the type of person that you would have the confidence that the President would select, to let the countries know that it is a coordinated effort, and the heads of these departments, including you and the State Department, would know when he calls you over to the White House, that you should go.

Mr. **DiCarlo**. Well, sir, I——

Mr. **Rangel**. I don't know who it is that coordinates. Is it Carlton Turner? Is it Mr. Mullen? Is it Nancy Reagan?

I mean, who really knows what everyone is doing? I don't like the term czar,——

Mr. **DiCarlo**. That's what——

Mr. **Rangel** [continuing]. What I think we are talking about is an executive coordinator on such a level that he or she communicates directly with the President. That is all we are talking about—no crazy that is going to disrupt our foreign policy, or jeopardize our national security.

Mr. **DiCarlo**. Well, if the definition of the czar is one who can advise the President, then we no longer have a czar per se, and I don't think that kind of advisor is what Senator Biden had in mind when he presented his bill. If we are talking about something else, then I would like to see the proposed statute and see what kind of powers were to be invested in this person; what kind of problems that it could present; and who this Solomon-like person is going to be who will be able to know everything about foreign policy, narcotics, agriculture, transportation, Coast Guard and so forth. I would like to see the proposed statute before I comment on it.

Mr. **Rangel**. Well, we have a lot of confidence in your ability to do that.

Mr. **Towns**. Mr. Chairman, right along the lines with your comments, I think that your comments are really important. I would like to just pursue it a little further.

Well, you can talk to people in the various departments, and they will complain about the equipment. For instance, they were talking about interdiction that there is no way that they can apprehend, that many times criminals had better planes than they had, better equipment.

You know, that is very hard for me to understand when I look at our Army, our Navy, and our Air Force; and we are talking about peacetime. We are not talking about in times of war.

So, doesn't that make sense, that if we are serious about an interdiction program; if we are serious about stopping drugs from coming into the country, that we would look to those areas as well; and the only way that we can do that is that you would have to have it at a level where a person could really make the decision, and coordinate it a certain way, that the security of this country would not be jeopardized.

Mr. **DiCarlo**. I would agree with you, and I think the President has gone a long way in achieving that coordination, particularly on the question of interdiction.

He placed the Vice President in charge of the south Florida task force and the NNBIS program. The Vice President, commands the respect and attention of the people under him. They are getting the kind of equipment that you state. They are now going to the military, and within the bounds of preparedness, equipment is being devoted to that project.

I think we are doing, in this administration, for the first time, the kind of things you would like to see us do.

I think a sound program has been started, and hopefully it is going to succeed. I don't think that any of us are so naive to believe that you can cut off all drugs coming into the United States; but we believe we can get the problem under control.

I think that in Florida, this administration has made an effort; and I believe that all the Representatives of the State of Florida, the mayor of Miami and others will tell you how successful that effort was, in helping the situation in Florida. This task force appraisal is about to be extended to the rest of the United States, along the lines you mentioned.

Mr. TOWNS. Well, I am hoping that you extend it to the rest of the United States, because inasmuch as it is effective in Florida—but I feel very strongly that they were probably forced into other areas like New York; so if you don't do it across the Nation, then I am not certain as to how much you really are accomplishing, because once they find out that you are concentrating on a specific area, they are just smart, just intelligent—any intelligent person would move to another area that you are not concentrating on.

Mr. DICARLO. Undoubtedly, and I think that we have to be mobile. I think we had a serious problem in Florida. It was a problem, not only of narcotics; there was also a problem of homicide; a problem of loss of confidence of the people. That problem had to be addressed. It was addressed by this administration, and now, based on what they have learned in Florida, they are extending the program to the rest of the country, using the Department of Defense, using the other mechanisms that you discussed. And the President put in charge a man who has the authority, and the respect, and will be able to get action—the Vice President of the United States.

Mr. SHAW. Would the gentleman yield?

I would like to point out—I would like to compliment you for your remarks in recognition that we do have a national drug coordinator; and I think it is unfortunate that the word "czar" was used and the implications that it would have.

There is no way that the Congress would vote for somebody who could override everybody however, I do think that it is imperative that we do have a national coordinator. I have filed a bill just last week, requiring the President to choose either the Vice President or a member of the Cabinet to put in a position of national coordinator who would then work through the various cabinet positions, in order to coordinate our drug effort.

And I think, Mr. DiCarlo, the south Florida experiment has shown one of the things that keep coming up time after time—this is the first time that we have had coordination. It should be spread throughout the country, not only in the United Nations, but in all of them—whether it be the Secretary of State; whether it be the Department of Transportation, Treasury, right on down the line—but if there is someone of the Cabinet level—a national coordinator——

Mr. DICARLO. But we are coordinating——

Mr. SHAW. That is the situation.

Mr. DICARLO. I just want to point out that we are coordinating at these levels now. We have our Cabinet council on legal policy, involving the Secretary of State as well as the heads of other agencies and departments. And we have the new task forces. I am not going to answer questions about these task forces because DEA and Justice were here to answer questions on these task forces.

I think we are doing the kinds of things that are needed at a national level.

Mr. TOWNS. I would ask a question now, Mr. Chairman.

The Bahamas is the area which is not really producing any drugs, but it is the area that a lot of drugs pass through coming into the United States.

Now, what are you doing in that regard, in terms of interdiction, or whatever else is necessary?

Mr. DICARLO. The position that has been taken by my Bureau is that although the Bahamas are a foreign nation, U.S. Government agencies were probably our best vehicle for interdiction, and so the South Florida Task Force, and the Coast Guard and other U.S. agencies are involved very deeply in operations in these waters, in cooperation with the Bahamas and the Caribbean area governments.

We assist U.S. domestic agencies by providing assistance, if needed, to other governments so that they can join in this effort.

I do not believe that the Congress would want us, nor would it be practical for us to provide lack of the 23 some-odd nations in the Caribbean and Central America with an independent interdiction force. The costs would be staggering, and many of these nations don't have the infrastructure, or personnel to support such forces.

So, generally speaking, we are seeking to aid those countries, in the Caribbean, to aid all forces in that area; and, probably, more money is expended by the U.S. Government in that area than in any other area in the world.

Mr. TOWNS. Thank you.

Mr. Chairman, I yield back the balance of my time.

Mr. RANGEL. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman.

I just have one question.

This will interest my colleagues—in the comment relating to whether or not we should use leverage in Central America and privileged-based nations to do more than they are doing in cutting off the production of drugs.

My question to you is, do you believe—generally speaking—that we can utilize our foreign aid resources, if that would include resources that we have opened to projects like CBI—the Caribbean Base Initiative—if we would use those—to target the recipients of those benefits, to cut off their production because to keep in mind what you said about the fact that there are pressures on the government, and cut down on drugs operations, and in particular, in those nations where a major part of their economic base—there is great pressure not to cut aid.

Mr. DICARLO. I think leverage should always be used. I believe in leverage. The question I am raising is how that leverage is to be used, and in what form it is to be used. I think nations which receive assistance from the United States know which issues are important to the United States. I believe Members of Congress should use this leverage in their visits.

I believe that we should use this leverage and perhaps more extensively. Some of us haven't used it enough. We should be using it. All of us should use leverage. My question concerns the form of leverage.

I would oppose a bill which by some arbitrary standard would automatically terminate assistance. This is not the best form of leverage.

I don't think it is leverage.

Mr. HUNTER. Let me ask——

Mr. DICARLO. My dispute isn't on leverage——

Mr. HUNTER. On that point, I would oppose that type of bill. Let me ask this. Do you support a carefully crafted initiative that would require some sort of a certification, for example, on a program like CBI, some sort of certification to this Congress, regarding the elimination of the drugs?

Mr. DICARLO. I think certification would be useless and counterproductive.

The only certification to be made is that some progress is being made. That may very well satisfy some people that something is being done.

But on the other hand, the certification can be used in reverse. That when I go out to a country we talk to these people in closed meetings about the need for them to do more. If a certification has been given that progress is being made, that certification almost destroys me when I go back and say they are not doing enough, because they already have the Good Housekeeping Seal of Approval. These are the problems that you face with that kind of legislation.

What kind of certification would be necessary? That progress is being made? That is probably the most nebulous kind of a thing, and we can always show progress. Mr. Chairman, you wouldn't trust that kind of a certification, for example that production has been reduced 20 percent?

Such reductions can come about because of more rain one year than the next, or there was a drought 1 year, and there wasn't one the year before. Or the price went down.

These are the problems that you face when you have legislation. We have the Rodino amendment; we have the Rangel amendment, which assists the President if he wants to use it. The problem with some of these bills and tools is, that while the threat is there once these sanctions are utilized, or there is failure to utilize them, our bargaining position has been destroyed.

It is the same with a certification procedure. It is a meaningless exercise, which not only doesn't accomplish anything but makes it more difficult for me to go back and say, "You are not doing enough."

They can hold up their sheet of paper and say, "Well, look, we are certified."

These are some of the problems with a certification procedure.

Mr. HUNTER. Well, I think that there are arguments on that side. In El Salvador, for example—terrorism, and murders and everything else over there—for several years, and it is my impression that we met with our people, the Peace Commission, the Human Rights Commission, the government, and political prisoners, and then the whole tour, and it is my impression that there is an effort because now the politicians in that country realize that they are receiving what they want in their country, which is aid—economic and social aid. We are just now getting the picture on this certification that human rights not be violated; and I agree with you that there are monumental problems associated with requiring them to meet certain milestones.

On the other hand, many of them now are realizing that that is important.

One problem that we have had with Americans is that there have been murders there. It is hard, because people are killed everyday on the streets in San Salvador. It is difficult for them to understand why our Government is so interested in the lives of just a few people. It is difficult for their politicians, I think, honestly, for them to understand this question.

We are now making this evident that for whatever reason it is important, and they are realizing that if they don't do something about the prosecutions that we are looking for, they are not going to be getting a dollar.

Politicians ultimately have to prioritize their decision. They have to make a decision, and those decisions are the result of pressure.

If the politicians in these nations believe that they can continue a very profitable part of their economic base, drug trade, and still receive American aid, that they can get both, they are not going to be motivated, I think, because you are a nice guy and because you are persuasive and you work hard, and you go down and visit them, and pressure them that way. They are not going to be persuaded to take the stringent actions that they would take otherwise; and I think that is a decision that we as politicians see everyday, who are between a rock and a hard place—we make decisions.

Is that accurate or not?

Mr. DICARLO. I think you should make a decision. I think the Congress should make a decision on all of the elements. But with this kind of program of certification Congress would avoid such decisions.

If we have any legislation which requires an automatic termination, Congress doesn't have to make any decision. It pushes it off to the Executive.

On the other hand, I think if you have a country that is not performing the way that it should, and you evaluate their entire performance, and you evaluate all the interest that the United States might have in that country, then I think the Congress has to make a hard decision: Do I or don't I vote for aid to a particular country? How much do I give for assistance?

That is where Congress can exercise authority each time, but in effect——

Mr. HUNTER. We want to make their politicians make the hard decisions in our favor.

I think that is the ultimate goal, to make that politician, wherever he is, to say that the $30 million they are going to receive for the next several months from the United States is worth more to him, than maintaining friendships with those people who operate that part of the economic base for that country which is inimical to our interests.

Mr. DICARLO. This is where I have a problem again, because if we talk in terms of a country receiving, let's say, $2 billion from the narcotics trade, and monetizing one third of it or about $700 million in country or $800,000, and we place it, basically on the question of money; we are only giving that country $15 million assistance, I wonder whether or not they wouldn't use that as a reason not to do something than take action on narcotics.

How much leverage do we have in that situation?

Mr. HUNTER. We are hoping that their politicians aren't receiving all the drug money—say the President of the country is looking at several billion dollars himself.

Mr. DICARLO. Are we talking about economic benefits to the country? I imagine——

Mr. HUNTER. It is important to those people. We can't deny that our foreign aid is very important, and their leaders would like to see—not only in aid, but in national security also.

Mr. DICARLO. I agree that we have to use leverage; we should not be giving money to countries when it is not in our interest to do so.

You asked about a carefully crafted piece of legislation. I don't think anyone can devise a bill which takes into consideration all the contingencies that might arise in this area—that would meet with your satisfaction after closely examining it.

Mr. HUNTER. Thank you, Mr. Chairman.

Mr. RANGEL. Well, we have become bogged down here, on this, and you have effectively thrown the ball back to us about our inability to draft the legislation.

We don't enforce our laws. We just carefully create the legislation, and hope and pray that the administration will appoint people that are sufficiently sophisticated to use it.

We are attempting to give you more tools, and, Mr. Hunter, I just want to say that you couldn't have used a better example than Central America, except perhaps just talk about communism wherever it shows its ugly head, to let our people out there in these foreign countries know how serious we are against things that we think are a threat to our way of life.

Whether it is El Salvador, or whether it is the leadership of Grenada, who has this airport out there which could land a plane that could be Communist, which is enough for the President of the United States to point out that this island has a big airfield, we want that same type of importance to be given to the question of narcotics.

When we carefully draft this legislation, it is for you to run around with this in your hip pocket saying the Congress means business, and instead of you having to tell us the degree of cooperation, which I agree with you—just saying hello to the ambassador is some degree of cooperation if you didn't rate a hello the day before.

But when you have to respond to the Congress—and I don't mean you, Mr. DiCarlo, as to why we should continue to feed the very people that are sending heroin and cocaine into our country, I think once we get that type of attention from the administration your job is going to be easier, and so will mine and we are going to do it.

With all of the cooperation that we are receiving. The problem is worsening.

I would challenge you to tell us how the Congress can foul it up any worse. What can we enact that is going to make it worse for these people?

I am not talking about what we may share in executive session. This committee can talk about Republicans and Democrats. We will be visiting a variety of countries that produce coca, marihuana, and opium, and we want to go there as the best-prepared representatives of our Nation and to speak with one voice, perhaps using different words and different tools, because we were appointed or elected to do different jobs.

It would be helpful if you could prepare for this committee country by country, as something like what you touched on in your testimony, the amount of the offending drug that is being produced, the amount of moneys that we are giving to this country, the degree of cooperation with the exception to that for which we have to go into executive session, what you see as the problem, because we don't happen to see the same problems. We are bogged down in herbicide. I was supporting the Mexicans when they were going out there with broomsticks, you know; but they were making an effort, and somebody has to make the effort.

You can understand as a diplomat, you know, areas that they can't control. I am saying if they can't control it, don't hurt us when we go in and try to control it.

You know, where things that can be done to let people know that the same way we want to stop communism wherever it is, we want to help them to help themselves.

If you can prepare an objective paper on these countries without offending security and at the same time in areas where there is more that we should know, marked down for executive session, it would be deeply appreciated, because this committee can't go back to our colleagues and members and say that, no matter what we do, we may do more damage than good because we may offend them, and what good does the dollar do; we are negotiating, and we have to wait for peer pressure to build up; and once their country becomes addicted, then we—these are the things that you have a problem with. But we only get 2 years at a time, and we are going to do the best with those 2 years, and if you can just share with us the information that we need to be better informed, I assure you that we will try our utmost not to do anything that would adversely affect our national security.

Mr. Gilman. Mr. Chairman, just one more last comment.

Mr. Secretary, I note your prior comments about the concern for our legislative thrust in cutting off the system.

Yet it is not that far away from your stated objective, and I was just reading over your Department of State international narcotics policy strategy statement of June 1, and in paragraph 4, you state:

> Narcotics-related economic assistance by our Government for international organizations should be conditioned on concurrent agreements under controlled narcotics.

Actually, we are not that far apart in our thinking, and if that is your professed program, you are conditioning it on cooperative agreements; we are seeking to condition it on all economic assistance in the same vein.

Mr. **DiCarlo**. The only distinction I would make is that assistance is narcotics-related assistance and is intended to be conditioned upon action, so that if a country refuses to eradicate its crop within a timetable we are not going to provide it with crop substitution and development programs.

Mr. **Gilman**. That is essentially what we say in our legislation: come up with a plan and if you fail to implement the plan, then we will refuse to go along with you in other economic areas.

Mr. **DiCarlo**. The problem is when you have a government that is willing to do 60 percent, and we are giving them assistance, and they are effectively interdicting; the plan to cut off all assistance is not only going to be cutting off assistance in areas of the country where action has not been taken but perhaps cut off narcotics-related assistance in another area, and possibly cutting off all assistance to the government, such as if we have an interest in refugess, if we have a——

Mr. **Gilman**. Well, as our chairman—if I could interrupt—as our chairman indicated before, you are the people that would be administering that type of program. We would give you the tools, and you would be the administrator and use your sound discretion with regard to those tools.

Mr. **DiCarlo**. The problem is the tools that we will be given by Congress; we are told we must use them. It is not a question of discretion. Moreover, we already have the tools needed in existing law. We said in our letters to Congress that the President already has the tools and the discretionary authority to utilize those tools. The new legislation takes away all discretion and says: You must use the tool.

Mr. **Rangel**. Just a second.

Would the gentleman yield?

Mr. **Gilman**. The gentleman is pleased to yield to the chairman.

Mr. **Rangel**. The new legislation merely says that the country has to come up with a plan, and to show us what they are doing to implement the plan. That is all we are asking. A plan.

The Rodino——

Mr. **DiCarlo**. We have no problem with that, sir. I was talking about the mandates in the original bill drafted by the committee, not the compromise proposal that is now before the Congress.

Mr. **Rangel**. I wish you wouldn't use that word. After all, we cooperated with State, but——

Mr. **DiCarlo**. I am referring to the draft legislation which would have mandated action with no discretion being left in the hands of those who should be exercising discretion.

Mr. **Rangel**. Well, you know, we can do that without a whole lot of legislation. You know that, and I would hate to see a head of steam building here in the Congress that, just as the gentleman pointed out—the Congress believes that it can't return to its constituents and explain what we are doing down here, and the only thing we have is authorization and appropriation powers.

We are trying to find some way to do it in a sophisticated manner.

Mr. **DiCarlo**. I think the Congress has succeeded in that in the last bill that was put forward in the Foreign Affairs Committee.

Mr. **Rangel**. Mr. Secretary, just because the Constitution separates the executive from the legislative branch means that there is no way that you are going to admit that we can do violence to that diplomatic area that you people work in.

But I am telling you that it is not working. It is not working, and these people break bread and smile and talk about areas that they can't control.

What Mr. Shaw was talking about is that we walk into our embassy, and when we ask for the Drug Enforcement Administrator, they look at each other; and we meet with the Drug Enforcement Administrator in the control room, and he tells—he is not a part of our task force; he is not a part of our mission in some of these countries.

I know that it is more important, sometimes, to be conciliatory with the heads of nations in these countries, than it is to bring up these offensive things. You know they are very sensitive.

I am involved in the Caribbean Basin Initiative I thought marihuana was part of the legitimate crop of Jamaica. They depend on it, you know, for foreign exchange. I don't expect that the President or the Secretary would be bringing this up to Mr. Seaga who is all we have got to stop the influx of Communists from dominating the Caribbean now. We have got to stop Communists, not marihuana. But someone has to do it, and I will ask Mr. Shaw whether he wants to expand on his observations.

Mr. **Shaw**. I would like to expand on what you just said.

I think one of the things that we have to do—we seem to be moving somewhat in this direction in some things, but not in the area of drug enforcement.

That is to reward our friends, and punish our enemies. If you are going to allow your farmers, your drug smokers, and all the other people to continue to kill the young of our country, you are not our friend.

I think this has to be the message that has to go out, and the political niceties—and everything else—this has to be up high on the program, way up.

All these other things are important. It is very important that we stop the spread of communism. I certainly put that as the very highest priority item, but I think the question is whether we—from these countries, in an effort to keep an unfriendly government out, allow them to continue to export the venom that is poisoning the young people of this country.

It is totally inconsistent that this has continuously come out of this Congress. I think that we have spoken in coming up with mandatory type of a program. It is a prerogative of the Congress to do so. If we are talking about $1,000, $6 million, or $118 million, I think when we are talking about $1 of Federal aid going to another country, in my opinion, and I believe under the law, they must indicate that they are doing something to help us.

I think they probably are confused that they are when they are not.

That is the message that has to go out. It has to be made very strong.

Mr. **Rangel**. Mr. Towns?

Mr. **Towns**. No comments.

Mr. **Rangel**. Let me thank you. My colleague Mr. Gilman sent me a note to make certain that I stated for the record your efforts in terms of fighting against this problem, and I said it earlier, and I say it now, without needing to be prompted, that you displayed to this committee and to this Congress your concern.

If we had people that understood the problem as we know that you understand the problem, I think that the priority would be much higher than it is now. You're a great representative for our country, no matter where you go. You've even had me sending you letters lauding you when people thought that you'd gone far beyond your diplomatic role.

But you know that you go there with the support of the Congress in your portfolio, wherever you go. We don't have any problem that this agreement is not going to interfere with our continued cooperation with State. You're the only State Department that we have, and you're going to have to help us to do a better job by sharing, as you always have, the information you have.

We want to thank you individually, Assistant Secretary Taylor, for offering State Department language that Congress could support, and we will continue to reach out for you without the public hearings, so that we can better share information.

We thank you very much.

The committee stands adjourned subject to the call of the Chair.

[Whereupon, at 12:39 p.m., the committee adjourned subject to the call of the Chair.]

Opening Statement by Chairman Charles B. Rangel, Select Committee on Narcotics Abuse and Control

Today the Committee begins its examination of the Administration's performance in the area of international narcotic control. We will limit our inquiry and analysis to the policies, diplomatic initiatives and technical assistance programs designed to curtail the illicit production, manufacture and traffic abroad of narcotic and psychotropic drugs affecting the United States.

I feel that the programs and initiatives that have been undertaken in this area have been limited in scope, perfunctory in application and lacking in success because of the administration's failure to assign a proper priority to international narcotics control in our nation's agenda of foreign policy objectives.

These words are harsh but the conditions that we encounter in our city streets, our suburban playgrounds and rural communities are painfully and realistically dismal. The future is not bright; the present is depressing and desperate.

Too many are using and dying from overdoses of drugs. In New York City alone, deaths attributable to narcotic drugs have increased 115 percent from 1978 to 1982. Nationally, deaths caused by cocaine and heroin overdoses have increased each year since 1978. The trend figures seem to indicate that deaths will increase geometrically unless the federal government takes vigorous action now to turn back the tide of illicit drugs that are grown and processed abroad in a handful of countries for smuggling to our country.

With the exception of a small domestic production of marihuana which is vigorously eradicated, these drugs are not "made in America." They are produced and manufactured in countries that have full and profitable economic and diplomatic relations with us.

We send millions of dollars, sometimes billions of dollars, in economic and military assistance to most of them, yet these nations refuse to fulfill their moral and legal obligations under the narcotic control conventions to eliminate illicit narcotic crop production within their borders. We recognize that the immediate total eradication of illicit narcotic crop cultivation is an unreasonable goal, but this does not mean that a plan cannot be prepared and a start made to progressively eliminate narcotic crops within a reasonable period of time.

We find the countries where illicit narcotic crops are produced—with exception of our good neighbor Mexico—unwilling to take action to deal with the problem. In fact some countries such as Thailand, Colombia, Peru and Bolivia are unwilling to even make a start after millions in U.S. and international assistance has been provided for that purpose. In the South American countries mentioned, coca production is actually increasing.

Perhaps these nations perceive the issue of illicit narcotics crop eradiction as an option; well it is not, and they should be reminded that it is their solemn obligation under the single convention on Narcotic drugs of 1961 which they have ratified, to eradicate illicit production. This is the one imperative to reducing the traffic and abuse of narcotic drugs to the irreducible minimum.

We have failed to impress upon the governments that have been delinquent in their narcotic control obligations the enormous adverse impact this has on the health and welfare of this country and most nations of the world.

Also, it seems that some of our high level government officials and diplomats have become the apologists for the nations that have failed to begin illicit narcotic crop elimination. It is the purpose of this hearing to determine when we might expect the producer countries to begin to phase out their illicit narcotic crops and to learn what the Administration, with the support of Congress, might provide in technical assistance.

We intend to work with the diplomatic community in order to shift our national posture from one of being reactive with regard to these issues and countries to one of being responsive and resourceful. We hope to discourage our diplomats from telling us why we must accept things as they are rather than as they should be. Only then will we end the illicit production of narcotic substances and the worldwide plague of drug abuse. It is our purpose to raise this issue from a secondary consideration in our foreign policy to one that not only is crucial but is perceived for what it is: A serious threat to the health and welfare of every American and the internal security of this nation.

Secretary DiCarlo, on behalf of the whole committee, I'd like to welcome you and thank you for testifying today. Your diligent efforts in this area are most appreciated.

Before I ask for Secretary DiCarlo's statement, are there any other opening remarks from my colleagues on the Committee?

PREPARED STATEMENT OF ASSISTANT SECRETARY DICARLO, BUREAU OF INTERNATIONAL NARCOTICS MATTERS, DEPARTMENT OF STATE

INTRODUCTION

The testimony offered by the Bureau of International Narcotics Matters on behalf of the Department of State responds to the Select Committee's correspondence of May 4 and June 6, which identified various topics of Committee interest and which posed a series of questions for discussion in this hearing

SUMMARY ASSESSMENT

The Administration's international narcotics control program emphasizes crop control, supported by interdiction and other enforcement programs operating as close to the source as possible. Because control of international narcotics production and trafficking is dependent upon the effectiveness of control programs undertaken by other governments, there is also major emphasis upon diplomatic initiatives.

Illicit opium for the international heroin market is predominantly produced in Afghanistan, Iran, Pakistan, Laos, Burma, Thailand and Mexico. The situations in the six Asian countries are different from those encountered in Turkey and Mexico, where effective opium control programs have been implemented. Turkey and Mexico were successful in controlling opium production because both had governments with the political will and capability to enforce their laws in the growing areas. No truly similar situations presently exist among other producer nations. For reasons unrelated to narcotics control, we have not executed narcotics agreements with Laos, Afghanistan, and Iran. The central governments in Burma and Pakistan do not yet have necessary control in all growing areas. We are dealing with less developed countries with generally fragile economic subsystems. Political instability is a factor.

There are factors which we believe are improving the opportunities for narcotics control. The abuse of heroin, cocaine, marijuana and other dangerous drugs is causing social, psychological, economic and health problems, not only in the industrialized, consumer countries, but also in nations where these drugs are produced and transhipped.

Western Europe had 220,000 to 330,000 heroin addicts, compared to 453,000 to 532,000 in the United States (1980 estimates, National Narcotics Intelligence Consumers Committee)—and both currently have intolerable levels of youthful abuse of cocaine, marijuana and other dangerous drugs. Estimates of the number of heroin addicts in Malaysia range from 100,000 to 300,000 out of a population of 14.6 million; and there are 300,000 to 500,000 heroin addicts out of a population of 49.8 million in Thailand. These are considerably higher ratios for heroin addiction than in the United States. There is a similar pattern of heroin abuse emerging in Southwest Asia, where opium use has also been traditional. Just over two years ago, there was not a significant heroin addiction problem in Pakistan; now, there are an estimated 50,000 heroin addicts and 300,000 opium addicts in Pakistan's population of 93 million people. Reports also indicate an estimated 100,000 opium addicts in Afghanistan's population of 15 million people, and an estimated 75,000 heroin addicts (and 800,000 habitual opium users) in Iran's population of 41 million people. These burgeoning addict populations are an important stimulus for action.

Moreover, trafficking profits are supporting warlord groups such as the Shan United Army and insurgent groups like the Burmese Communist Party, both operating on the Thai-Burmese border and fighting for control of the opium/heroin trade in the Golden Triangle. There are also reports of linkages between drug traffickers and insurgents in South America, where drug trade dollars, the diversion of labor, and associated criminal activities are destabilizing social, political and economic infrastructures. Narcotics trafficking is a criminal transaction which undermines legitimate business through narco-dollar investments, drives up real estate prices, diverts labor away from traditional commercial enterprise, and corrupts law enforcement and other officials at many levels of government. Increasingly, narcotics trafficking is a violent enterprise, here and abroad.

The incentives to act are not just the diplomatic urgings and economic assistance offered by the United States, other governments and international agencies; today, there is also the stimulus of self-interest. These factors determine our opportunities for action, and thus shape our strategies.

While it is not possible at this time to engage all producer governments in eradication programs to the degree desirable, and numerous growing areas in several countries are not yet subject to control agreements, and some agreements have not yet been implemented to the needed degree, progress is being made and governments are cooperating on crop control and interdiction. We have some reason to be optimistic that our international efforts are having an effect—not that we are solving or eliminating drug abuse—but that we are making progress in our objective of controlling the production and distribution of major illicit substances. We do not yet have control, but we have established a foundation which improves the possibility that we will gain control.

FACTORS INFLUENCING NARCOTICS CONTROL

In considering the status of U.S. international narcotics programs, it is essential to observe the many factors which influence the decisions of other governments to undertake crop control and other narcotics control programs. Consider the options available to a producer nation government. One, it can choose to do nothing and let those nations affected by drug abuse bear the burden of enforcement when the drugs reach their borders. Two, it can organize interdiction and other enforcement efforts, with or without assistance. Three, it can mount a crop control program—relying on manual or chemical eradication to enforce the government's ban on cultivation (two options in one). Four, it can authorize both crop control and interdiction programs. Five, it can support crop control and interdiction efforts with developmental programs to assist the farmers in developing alternative sources of income and/or improving the general economy or the growing areas.

The actual decision on what kind of program, if any, to undertake, will usually be a product of several influences or factors: the type of drug produced; physical access to growing areas; diversity of the plantings; the identity of the growers, their dependence on illicit narcotics for their livelihood; the number and degree of organization of the farmers; the identity and political/economic influence of the traffickers; the degree of corruption affecting various levels of government; the degree of the government's concern about its international image; public concern about drug trafficking and/or domestic drug abuse; the severity of the domestic drug abuse problem; the amount and kinds of assistance available for interdiction and crop control programs; the various chemicals, if any, to be used in eradication; and, the amount and kinds if any, to be used in eradication; and, the amount and kinds of economic assistance available to offset economic problems caused by or related to the control program.

Both crop control and interdiction programs have important social, political, legal and economic ramifications. As a theoretical proposition (but not as an exclusive rule), if there are sufficient and compelling reasons pressuring a government to undertake interdiction and other enforcement programs of a quality and quantity that would be effective, there should be sufficient argument to persuade that government to undertake a crop control program. In other words, if there are severe economic, political, social and human repercussions and adverse effects resulting from drug trafficking and/or drug abuse, it is in the government's interest to take all appropriate actions to remedy the problem.

However, in reality, there may be instances when a government feels compelled to act, and will support major interdiction efforts, but not crop control. (Leave aside consideration of those governments who refuse to respond to the pressure and who elect, even by default, to do nothing about their drug problems.) A government may resist crop control because it does not want to become involved in the use of herbicides or other eradication chemicals—but believes that manual destruction is too burdensome. Or, a government may determine that crop control is not in its economic or political interests, given that the farmers are constituents while the traffickers, especially those higher up in the distribution chain, may be foreign nationals. So, crop control hurts the locals and interdiction hurts the foreigners, and a very parochial justification is offered for diverting the "hurt" away from the local population. INM considers such arguments evasive.

The United States realizes that crop control and even major interdiction programs can negatively affect local economies. We are familiar with the data available on illegal drug sales, and the price acceleration that occurs at every link in the chain between the farmer and the street seller.

A Bolivian farmer will sell 250 to 500 kilograms of coca leaf for $200 to $500. A Colombian wholesaler will realize $7,000 to $14,000 for one kilogram of refined cocaine, a U.S. wholesaler will receive $45,000 to $52,000 at port of entry, and the U.S. street pusher will realize $800,000 for one kilogram of cut cocaine. Similarly, a Colombian farmer will sell one pound of marijuana for $2 to $4, which will ultimately be sold by a U.S. street pusher for $500 to $800 a pound.

Each of the 40-48 tons of cocaine imported into the United States will sell for about $800 million. And, the 9,500 to 14,000 tons of marijuana will sell for $1.0 to $1.6 million a ton, with higher prices for imported (and domestic) sensimilla.

In attempting to reach agreement with the government of a producer nation on crop control, the fact that the farmer may receive as little as one-half of one percent of the ultimate street price is not as important as the relative value of these drug dollars in local economic terms. Marijuana production in one region of Colombia provides a livelihood for an estimated 19,000 families. Marijuana field workers can earn about $7.50 a day, compared to just over $3 per day for work in agriculture, cattle-raising, etc. And, the profits from marijuana are 2.5 times greater than coffee at its high world price.

Colombia's trade in cocaine and marijuana was valued at approximately $2 billion during 1982, the equivalent of 7 percent of Colombia's gross national product, ranking second in value only to coffee exports. Peru's illegal trade was valued at $850 million, and Bolivia's over $1 billion, the equivalent of about one-fourth of Bolivia's GNP. These figures reflect export prices, not final street value in the United States, and reports indicate that one-third or less of this money remains in the producer country. Marijuana exports from Jamaica may generate as much as $1.1 billion in U.S. street sales, with about 15 percent staying in the country.

Thus, the financial incentives favor illicit drug cultivation, and, strategies must include either alternative incentives, in the form of economic development programs, or disincentives, such as arrests and seizures, forceful eradication or other control measures—and, in many instances, a combination of incentives and disincentives.

Some governments insist that crop control programs cannot be mounted without prior commitment of economic assistance in the form of crop substitution, income replacement or other developmental support. But, there are serious issues to be considered in negotiating economic assistance. At what level of income should the farmers be supported? INM resists the suggestion that the farmers should be maintained at the higher levels these narcotics growers earned from illicit crops. Is the crop substitution or other development program to be made available to all farmers who engaged in illicit cultivation? Will these farmers be allowed to continue narcotics cultivation until such time as earnings from legitimate activities have reached some specified level, or will the government agree that narcotics production must cease with the execution of the agreement? Is it equitable or just to provide a higher level of income to these illicit farmers and not to those who have stayed out of the drug trade? What effective controls will the recipient government apply to ensure that illicit cultivation actually terminates after economic assistance is given?

At what level of economic, agricultural, and social development does the government of the producer nation take effective control action? Will the government take nationwide action, or only in those areas where development assistance projects are in place? Will governmental control be incremental, only keeping pace with development, or will the government agree to enforce to total ban immediately?

These questions of incentives and disincentives dominate our negotiations with several producer countries. Again, the Bureau's position is that any crop substitution or other development assistance program must be conditioned on a commitment by the foreign government to eradicate or reduce crop cultivation to legal levels. And, the alternative income we generate must not become incremental income to producers and traffickers or induce other farmers to enter the illicit market, either to capture that market or to qualify for the economic basis, with the affected governments.

The Government of Mexico determined that opium cultivation was not a traditional practice or livelihood for its farmers, and embarked on the most extensive crop eradication program in the history of narcotics control—but did not appropriate or request from the United States any developmental or other economic assistance for the farmers of its growing regions as a consequence of its eradication activity. Conversely, the Government of Peru maintains that the project in Peru's Upper Huallaga Valley would not be possible except for the linkage with USAID's rural development program.

Many people believe that the sheer economic leverage of the United States should be sufficient to persuade any government to cooperate. Not only has that not been true in foreign relations generally, such leverage has had limited value in narcotics control. Often, because action against narcotics producing farmers is a highly political issue for a government, the real or perceived role of the United States may be an impediment to achieving success.

There are no simple answers to all of the questions about the impacts of drug abuse, drug trafficking and control programs. While we have a broad knowledge of the social, political and economic environments of these countries, and a base of detailed information on narcotics production and trafficking, we have understandable difficulties in measuring the precise impacts of either drug trafficking or drug abuse on either local economies or populations. In part, our information gap is a function of our dealing in countries where such data are normally scarce, and, in larger part, our problem is one of attempting statistical measurement of what is inherently a clandestine, illegitimate enterprise. We have considerable difficulty in determining whether the economic benefits from trafficking are purely local, or have wide impact; at the same time, it is difficult to measure the breadth of economic dislocations associated with trafficking.

While our observations may lack statistical precision, we are satisfied from our discussions with officials in these countries, and from our own assessments, that adverse social, political and economic impacts are creating an improved environment for negotiating control agreements. No nation is really invulnerable to the problem of drug abuse, and, those nations which engage in or indulge in narcotics production and trafficking ultimately pay a price that is greater than the temporary benefits they are thought to realize.

The growing recognition that the liabilities of narcotics trafficking and drug abuse are outweighing the benefits is the basis for our belief that more can be accomplished.

GOALS AND OBJECTIVES

Our goals and objectives are based on the Administration's international narcotics control policy which was declared in the Federal Strategy.

The worldwide supply of marijuana, cocaine and other drugs is so great and trafficking channels to the United States so diverse that major interdictions and even crop eradications, when achieved in only one or two producing areas, have caused only temporary declines in availability. The Department's strategy is therefore predicated on the ultimate objective of controlling production simultaneously in all key sectors of illicit drugs exported to the United States, so that significant and lasting reductions in availability are achieved. We believe that preventing cultivation and destroying illicit narcotics at their source will prove to be the most effective means of reducing availability.

In keeping with that ultimate objective, INM's first priority, in negotiating bilateral agreements and in discussions on multilateral projects with international organizations which we fund, is on crop control—government bans on cultivation and production, enforced by manual or chemical crop eradication. Our second priority is on interdiction as close to the production source as possible and supported by other enforcement activities, such as suppression of laboratories, and then on interdiction of drugs moving from producing areas and through transit countries to the United States.

The major drug producing and trafficking countries are parties to conventions which obligate them to control the production and distribution of illicit drugs. Our international strategy is based on encouraging and, where necessary, assisting these countries in meeting their responsibilities for reducing the cultivation, production, and trafficking in illicit drugs within their borders.

President Reagan has communicated Administration positions on crop control and eradication through the Strategy, through messages to international bodies, through other public statements, and importantly, by direct communications with leaders of other nations. Secretary Shultz advised our Ambassadors and foreign ministries that he is committed to integrating the narcotics issue into our foreign policy agenda. Narcotics issues have become talking points in the discussions with many visiting foreign officials. The Secretary has emphasized that the response to narcotics must involve the international community.

PROGRAMS AND EXPENDITURES

Our Bureau responsibilities and programs include: policy development; diplomatic initiatives; bilateral and multi-lateral assistance for crop control, interdiction and related enforcement activities in producer and transit nations; development assistance; technical assistance for demand reduction; and, training for foreign personnel in narcotics enforcement and related procedures. Our programs are tailored to both countries and regions.

The Bureau of International Narcotics Matters has requested an authorization of $53,030,000 for fiscal years 1984 and 1985. The Administration has asked the Congress for an appropriation in that amount for 1984. Most of the proposed increase of $13,030,000 over the Administration's 1983 request of $40 million represents the estimated costs of a substantial expansion of crop eradication programs we hope to negotiate this year. (The 1984 request is $16,330,000 over the 1983 level established by Congress through continuing resolution.)

The increase primarily reflects new or expanded crop eradication programs in South America. We are hopeful that we can negotiate agreements in fiscal year 1983 to control coca production in Bolivia and marijuana and coca production in Colombia.

Proposed expenditures for Latin America are $30,185,000, an increase of $13,435,000 (over fiscal year 1983 planned expenditures). The budget for East Asia is $8,895,000, an increase of $1,295,000. The budget for Southwest Asia is $4,650,000, a proposed increase of $750,000.

These increases would raise expenditures for country programs by $15,450,000 (from $28,250,000 in 1983 to $43,730,000 in fiscal year 1984). The budget also includes $2,575,000 for international organizations; $400,000 for demand reduction; $3,500,000 for training; and $2,825,000 for program development and support.

The amounts proposed reflect the state of our agreements with given governments, the kinds of assistance required, and the state of implementation, and are not necessarily reflective of drug production volume or level of trafficking to the United States. The amount proposed for one country cannot easily be compared to the allocation for another country on the basis of drug production. For example, INM supports eradication projects in Mexico and Burma with relatively high cost aviation equipment, whereas in Pakistan INM has funded a rural development project in an area where the Government of Pakistan has conducted eradication in support of its ban on cultivation. The $3.55 million supporting Pakistan's control by fiat cannot be compared to the $8.5 million supporting Mexico's aerial eradication program; the projects have different bases and purposes and costs are not a direct representation of the amounts of opium produced.

A summary of obligations and expenditures for INM, and also for the Agency for International Development, which is planning or already supporting narcotics-related development assistance projects in Pakistan, Bolivia and Peru, is provided in the appendix.

LATIN AMERICAN REGIONAL STRATEGY

Latin American assessment

The primary Latin American objective of the Bureau of International Narcotics Matters is to reduce imports of heroin, cocaine and marijuana through control of production sources, particularly by the governments of Mexico, Colombia, Peru and Bolivia. But, obstacles are abundant, especially in South America. We caution that crop control—to the point at which availability of these drugs in the United States is substantially and continuously reduced—is a long-term effort.

In one or more of the producing countries, we have had to contend with: frequent changes in governments; local populations heavily dependent upon cultivation and trafficking for their principal income; a strong reluctance to take measures against "poor farmers" who produce narcotics crops; populations indifferent to U.S. interests, or resentful of actions which they see as benefitting the United States, especially where they have been insulated from serious drug abuse; traditional chewers of coca leaf whose needs must be met by continuing cultivation; a belief that drug abuse is a U.S. problem which creates the trafficking issue; demands that the United States virtually reconstruct the economies of large sections of such countries as an inducement to local cooperation on crop control and interdiction; and even government involvement in the narcotics trade.

However, there are also incentives for these governments to act, including the economic problems and erosion of public institutions caused by the drug trade, domestic drug abuse problems, international pressure, and insurgencies that may be linked to narcotics trafficking. This interplay of incentives and disincentives often defines our opportunities for action.

There is considerable variety in terms of domestic effects. Mexico has apparently not suffered a domestic heroin problem, but it considers marijuana use a significant national problem. There are serious drug abuse problems emerging in South American countries like Peru. Corruption and official links with traffickers have been cited in some countries, while others seem to have escaped this problem. There are apparent financial benefits to farmers, but while there are claims that entire economies are benefiting—even that favorable balance of payments situations are resulting—there is little hard evidence on economic dislocations or benefits that would permit comprehensive analysis of total impacts. To the extent that data permit, financial and other impacts are discussed in the individual country assessments.

The producer countries present different problems, and thus our strategies vary. Under the Single Convention on Narcotic Drugs, producer and transit nations have the primary responsibility for controlling opium, coca, cannabis and their derivatives within their borders. Some of these countries require assistance in meeting these responsibilities; the United States provides assistance and believes the international community should increase its assistance. But, we expect these governments to demonstrate their responsibility through commitments to effective drug control programs. We encourage other donor nations, development banks and international agencies to adopt the same policy of linking narcotics-related economic assistance to a government's commitment to narcotics control.

The problems in common to Peru, Bolivia and Colombia include the coca plant itself and its yields, in cocaine and profits. Coca is a hardy, deep-rooted plant that is quite difficult to eradicate, and is usually grown in isolated areas. Coca is an attractive crop for farmers because it is productive within one to three years, requires relatively little care, and has a life span of about 30 years (with diminishing value after 10 years); leaves can be harvested three to four times a year; and it can be grown on poor soils unsuitable for other agriculture. Because most holdings are small, and demand until recently was limited, coca production for the illicit market provided an attractive but not spectacular income. However, in response to increased demand, coca prices accelerated in 1980 and thereafter to twenty times their previous level, and today illicit coca production is the principal and sometimes only income for thousands of farmers—an income that is several times the income these farmers could earn from other crops or other unskilled labor.

In sum, the farmers' economic and political interests are issues of concern to the governments of Latin American coca producing countries. But, there are also pressures on these governments to bring the coca problem under control. Buttressing these incentives to act is the U.S. policy that we will help provide the means not only to gain control of coca production and cocaine trafficking, but, with other sources of economic assistance, will also consider financial alternatives to the farmers—conditioned upon commitments to crop control and reductions in production.

Latin America program summary

Latin America is the source of cocaine (Peru, Bolivia and Colombia), the major source of marijuana (primarily Colombia, Jamaica and Mexico), and the transshipment center for most of the illicit methaqualone entering the United States. (Data tables are provided in the appendix). Our fiscal year 1984 request is based on our engaging in crop control programs in Colombia, the key marijuana producing country in the area, and in Bolivia and Peru, the two principal producers of illicit coca, while continuing our support of the successful Mexican eradication programs and selected interdiction projects. Our budget request also allows for support of an agreement to assist the Colombians in an expanded coca control program.

In Latin America, our priority goals are cooperation with producer nation governments on opium poppy control in Mexico; coca control in Peru, Bolivia and Colombia; and marijuana control in Colombia, Mexico and Jamaica. These priorities were reinforced by the South Florida Task Force assignments in which Vice President Bush emphasized State's task of pursuing crop control agreements with Latin American governments. Our budget request for Fiscal Year 1984 includes significant increases to fund eradication programs in South America.

We recognize a need for interdiction and other enforcement activities in the international program. Thus, we support interdiction and other enforcement efforts in the producer countries, in transit countries, and in areas such as the Caribbean—directly or in cooperation with other U.S. agencies. Our interdiction programs complement the broader Federal effort targeted on the interdiction of trafficking from Latin America to the United States: from Mexico across our Southwestern border; from Jamaica to the East and Southeastern Coasts; and from the source countries of Bolivia, Peru and Colombia through Central America and the Caribbean.

We concentrate INM-funded interdiction efforts in the source countries, and then in transit countries. The levels and types of assistance provided reflect this strategy of staging interdiction efforts close to the production source. The strategy also takes into account the Caribbean interdiction activities of the Drug Enforcement Administration, U.S Customs, the Coast Guard and military, as well as other units in State and Justice. We encourage and support interdiction efforts by governments in the Caribbean and Central America through diplomatic initiatives, direct assistance, and training. We also provide support to other agencies in their Caribbean activities.

In providing assistance to any country or region, INM takes a variety of factors into account. The factors include: narcotics crop production; new and potential sources of cultivation; proximity to production source; role in trafficking; domestic capability to control trafficking; interdiction potential (an assessment based on prospective government cooperation, logistics, costs, and potential impact upon trafficking); and, appropriate roles for the U.S. agencies.

Government efficiency, integrity, political will and the capability of controlling narcotics trafficking vary significantly from government to government in Latin America, as do the degree of cooperation with the United States and other impediments to effective U.S. anti-narcotics assistance.

Logistical considerations are a factor in planning interdiction efforts and resource allocations. Central America has a landmass of 539,953 square kilometers, a coastline of 6,603 kilometers, land boundaries of 6,705 kilometers, 16 major ports, 32 minor ports and 1,661 airfields—not counting clandestine strips.

The logistics become even more complex in the Caribbean. There are more than a thousand islands, including 700 in just the Bahamas, and several thousand cays, The landmass is only 225,838 square kilometers, half that of Central America, but, this mass includes 13,576 kilometers of coast line, 32 major ports, 122 minor ports, and 403 airfields, not counting clandestine strips. This landmass of only 225,838 square kilometers is spread across a region that measures 2,640,000 square kilometers. In sum, a combined area that has one-twelfth the landmass of the United States has slightly more coastline, almost as many major ports, and Central America and the Caribbean have one airfield for every 371 square kilometers, compared to one for every 635 square kilometers in the United States. Not least among our considerations is that the Caribbean and Central America have 23 governments, not counting dependencies.

Our conclusion is that the interdiction effort in the Caribbean, including the Bahamas, is important and should be continued. But, such interdiction remains part of an overall regional effort to disrupt the flow of drugs and make drug transportation as costly and difficult as possible, an effort which begins with control at the source, supported by interdiction in source countries, with additional enforcement at transit points.

This conclusion is heavily influenced by the reality of the traffickers mobility, the difficulties in identifying smuggler planes and ships from among the vast hordes of craft plying the Caribbean air and water routes, and the best use of available resources. The U.S. interdiction effort must be as mobile as those of the traffickers; the Caribbean traffic, once targeted so heavily on South Florida, is reportedly spreading to other parts of the Southeastern United States, across the Gulf States, and even to our interior, as smugglers use long-range general aviation aircraft and commercial flights. Thus we have believed it inadvisable to provide major commodities of significant other resources to Caribbean nations under our grant assistance program, since this restricts the flexible distribution of enforcement resources near our border. We believe the Administration's policy of relying heavily on DEA, Customs, the Coast Guard and U.S. military, all of whom can move their resources freely, is correct for this situation. Moreover, the latter have greater flexibility in technical support programs and agreements than INM's grant program, which conveys equipment and other resources to host governments; also, Foreign Assistance Act regulations require INM to assure that any resources provided will be used by the host government and not by U.S. Government agencies.

LATIN AMERICAN COUNTRY PROGRAMS: DETAILED REVIEW

Peru

Background.—Our problems in Peru, whose coca provides almost half of the cocaine consumed in the United States, begin with the fact that coca has been grown and chewed in Peru for more than 2,000 years—and coca control assistance agreements must consider that the Government permits and licenses a substantial cultivation for traditional domestic as well as pharmaceutical purposes. The objective then is to curb production in excess of this level and control illegal diversions from the licit cultivation—a task compounded by the fact that (1) Peru has a weak economy; (2) cocaine trafficking provides several hundred million dollars a year to that economy; (3) the production of coca is concentrated in several relatively remote and underdeveloped areas of the country and (4) coca cultivation had expanded to an estimated 50,000 metric tons by 1981, versus an estimated need of 12,000 to 14,000 metric tons for licit domestic and international purposes.

Coca cultivation is the major source of income for more than 7,000 farmers in the Upper Huallaga Valley, where until recently all production was sold on the illicit market, generating an estimated 60 percent of the region's economy as well as about 25 percent of the cocaine available to world markets.

Many Peruvians are concerned about a serious increase in the dangerous practice of smoking coca paste. In this semi-refined state, coca paste contains such harmful impurities as kerosene and cement. Inhaling into the lungs is especially harmful. Reports indicate increasing smoking of coca paste by high school age youths, as well as by adults. Peru is sensitive to its international image as one of the two major producers of illicit coca supplying the world market for cocaine. The Government has also expressed concern about the potential for official corruption.

Current Status.—We have budgeted $4,020,000 for Peru in fiscal year 1984. A five-year coca eradication and enforcement project was signed in August, 1981, concurrent with the Agency for International Development's (AID) five-year rural development program in the Upper Huallaga Valley coca producing area. The program is the first in which the long-advocated strategy of coordinating INM support for enforcement with AID's development assistance is being implemented. The INM project targets an estimated 17,000 hectares out of approximately 35,000 hectares providing coca to the illicit market. The projects are complementary; INM's goal is to reduce coca cultivation through eradication and control, while AID's goal is to diversify the area's agricultural production, thereby minimizing any adverse social or economic effects of the control program. (These are not pilot projects or experiments in crop substitution).

The Coca Control and Reduction Project provides for both voluntary and mandatory eradication of coca crops in the project area. Phase One is voluntary eradication; Phase Two is mandatory eradication, and will be initiated sometime in late fiscal year 1984, depending upon the effectiveness of the voluntary program. The project is designed to eliminate coca cultivation from the area by 1987.

The USAID project has begun, but there have been delays by the Government of Peru in implementing Phase One of the control program. We have expressed concern about delays in this project, and were reassured by the Peruvian Government in January, and again in April when Attorney General Smith visited Peru and other South American nations, that the crop control program required by our agreement would be implemented in the Upper Huallaga Valley this year. Subsequently, INM received the first reports of government action to implement the crop control portion of the program (eradication of 200 hectares, about 90 hectares of which had been mostly abandoned, followed recently by eradication of another 70 hectares), and hopes this initial effort is the start of a sustained campaign.

INM continues to support Peruvian narcotics enforcement agencies. In addition to supporting the Guardia Civil's Mobile Rural Patrol Detachment (UMOPAR) in the Upper Huallaga, INM's effort to enhance the operational and intelligence effectiveness of Peruvian narcotics enforcement agencies includes support for other Guardia Civil and Peruvian Investigative Police activities.

Reports for 1982 indicate that seizures of cocaine, cocaine paste and base were down from 1981 levels, but that seizures of dried coca leaf rose sharply from 26,781 kilograms to 85,454 kilograms, and that 178 jungle-based coca labs were captured compared to 53 in 1981. These reports indicate that the amount of leaf captured was equivalent to 850 kilograms of cocaine paste, a partial offset against the decline of 1681 kilograms in cocaine paste seizures.

INM will be receptive to Peruvian requests to support coca control projects in other regions. We agree with the Peruvian government that there should be an international emphasis on coca control. In Europe, we discussed the need to internationalize the drug problem, and the need for European (as well as Canadian and other governments) influence on the governments of narcotics producing nations, in South America and elsewhere. This matter was discussed with European and U.N. officials last fall, and at the February 1983 meeting of the Commission on Narcotic Drugs. We supported the efforts of the United Nations Fund for Drug Abuse Control (UNFDAC) to establish a regional office in Lima (in response to a Peruvian request for an Andean office) to coordinate international narcotics control efforts in the Andean subregion—as called for by an ECOSOC resolution (May, 1982). However, the Andean countries, meeting with UNFDAC in May, 1983, decided to pursue their own national programs separately rather than support a regional office. Several European nations have assigned narcotics enforcement officers to Lima and Bogota.

It is anticipated that a proposed United Nations coca control project will be operated in both Peru and Bolivia, complementing U.S. programs. U.N. officials have met with Peruvian, Bolivian and Colombian representatives to discuss prospective coca control projects.

Bolivia

Background.—In Bolivia, where coca cultivation and consumption have also had historic economic and cultural importance, licit demand requires an estimated 12,000 metric tons of coca out of an estimated 1981 production of 55,000 metric tons. Not only has chewing of coca leaf been traditional for centuries, but the coca trace has been valued (1981) at more than $1 billion, and there are today an estimated 23,000 farm families engaged in growing coca, usually on holdings of one hectare or less.

Narcotics assistance programs began in Bolivia in 1972; a 1977 agreement provided assistance for narcotics control and a study of alternative crops. These activities were halted in 1980, after a coup by General Garcia Meza, who allegedly had the support of the "Santa Cruz Mafia," independent organizations in the Santa Cruz area which dominate the cocaine trade. Narcotics control assistance and most U.S. aid were suspended to demonstrate our insistence that Bolivia curb coca production and trafficking, as well as to satisfy other concerns, including adherence to democratic principles and human rights.

Several subsequent military governments proved unable to deal with the situation and a return to civilian control of the government was decided by the military in the summer of 1982. On October 10, Hernan Siles Zuazo was inaugurated as the first civilian President of Bolivia in eighteen years. He inherited a country with a collapsing economy, few readily available resources, and a corrupt political structure. The USG, now dealing with the fourth Bolivian government since July, 1980, offered the GOB last December approximately $130 million in various types of developmental assistance staged in three segments.

A first phase of assistance amounting to approximately $31.2 million was made available during the first 90-day period to provide immediate support for Bolivia's ailing economy and political return to democracy; the second and third phases are tied to more concrete actions by the GOB progress toward an IMF agreement and toward an effective anti-narcotics policy, as well as maintenance of a good human rights record; the third and largest phase totalling $57.6 million is dependent upon the GOB signing an agreement which includes appropriate benchmarks for the eradication of illicit coca.

To date the $31.2 million package has been obligated; $27 million in disaster relief assistance has also been promised.

Current Status.—We have renewed the discussions, begun under the Torrelio regime, on a coca eradication program to reduce Bolivia's enormous cultivation to levels needed for legitimate purposes. We are working with the Bolivian government to develop a plan for assisting Bolivia in a crop control program which contemplates both voluntary and involuntary crop eradication and controls. The plan is for a major, comprehensive program (not pilot projects in crop substitution) beginning with control of illicit production in non-licensed areas, and then control of excess production in licensed areas. INM is currently reviewing and evaluating the latest draft document in the series of exchanges.

INM is hopeful that the Bolivians will agree on a program of coca eradication. The incentives are evident: restoration of Bolivia's international image; its need to meet its narcotics control obligations under international conventions; its need to influence the prospects for U.S. and other economic assistance; and its need to control negative effects of drug trafficking on the Bolivian economy. The political and financial impacts that control programs may have on the economies of the growing and trafficking areas can be offset, with assistance, but, foreign aid cannot be a substitute for concerted action by the Bolivian government.

Our fiscal year 1984 request is predicted on concluding and implementing such an agreement. Other than a small maintenance program, narcotics control assistance as well as other U.S. assistance (except humanitarian) was suspended following the July, 1980 coup. Our funding, which was limited to $240,000 in administrative support costs during fiscal year 1982, was increased to $900,000 in fiscal year 1983 to start this program. We project that $7,670,000 is needed in fiscal year 1984 to support a major, multi-year crop control and interdiction program.

Colombia

Background.—Colombia is the major exporter of marijuana to the United States, the principal transit source for methaqualone, and, the major refining/transshipment center for Bolivian and Peruvian coca. The value of cocaine and marijuana trafficking was estimated at $2.0 billion in 1982, of which perhaps $500 million is monetized in country. Traffickers launder narcodollars through the over-invoicing of exports, through front companies, farm and cattle purchases and the conversion of dollars on the black market. This dollar flow frustrates fiscal control and makes monetary planning very difficult. Recently, there have been allegations that Colombian insurgents are utilizing drug trafficking as a source of income to pay for arms shipments.

Building on U.S. supports which began in 1973, INM has since 1978 provided technical assistance and training, and financial resources to upgrade Colombian capabilities in drug interdiction and manual eradication, in judicial processing and intelligence collection, as well as in drug abuse prevention to help the Colombians cope with their drug abuse problems. A manual coca eradication program was begun in 1981.

In 1981 the Colombian interdiction program supported by the Bureau seized 3,310 metric tons of marijuana, a 345 percent increase over 1980, and 66 million units of illicit methaqualone, a 380 percent increase. Colombian authorities seized 349 kilograms of cocaine, and destroyed 237,401 coca plants and 58 cocaine laboratories. With the exception of cocaine seizures, these figures compare favorably with 1980, when the totals were: 1,545 kilograms of cocaine seized, 106,665 coca plants destroyed, and 54 cocaine laboratories destroyed.

In 1982, Colombian officials seized another 3,409 metric tons of marijuana, 41 million units of methaqualone, and 881 kilograms of cocaine. The manual eradication program INM supports resulted in the destruction of some 8.5 million marijuana plants on 29,486 acres and 19.7 million coca plants on 6,491 acres; 277 cocaine laboratories were also destroyed.

Colombia informed European suppliers in 1982 that, pursuant to the Convention on Psychotropic Substances, it would no longer accept imports of methaqualone unless it provided a per-import certification, and banned trafficking in the drug.

Current Status.—Particular attention is being focused on Colombia, which in 1981 produced most of our marijuana imports, exported up to 75 percent of the cocaine consumed in the United States, and was the major transit point for illicit methaqualone entering the United States.

Our concerns about this production and trafficking in marijuana and cocaine were expressed by President Reagan during his Colombian trip in December. In return, President Betancur has expressed his government's willingness to continue cooperation with the United States on narcotics control programs. We have had continuing discussions with the Betancur Government on a range of narcotics-related issues and continue to support effort begun under the Turbay Administration has been continued; there has been some manual destruction of marijuana plants, but enormous cultivation remains.

Many Colombians consider drug trafficking a problem created by and pertaining solely to the United States. But, others in both government and the private sector now acknowledge the magnitude of the negative effects the drug problem is having on and in Colombia. Corruption among government officials, intimidation of members of the judiciary, the growth of an illegal economy the government does not regulate or tax, the influx of uncontrolled sums into the legitimate economy and threats to political stability have increased Colombian awareness of drug-related problems.

Our fiscal year 1984 budget of $8.9 million is predicated on Colombia undertaking a program for marijuana eradication while continuing and possibly expanding its coca control program. The Government of Colombia has not made a final decision in its policy and programs concerning eradication of marijuana.

Mexico

Background.—The narcotics eradication program undertaken in cooperation with the Mexican Attorney General's office has been the Department's largest international narcotics control program. Over a 10-year period, the United States has invested more than $95 million in this cooperative effort, but the Mexican government has spent larger amounts.

Mexico once supplied the bulk of the heroin imported into this country, but a U.S.-supported Mexican aerial eradication program substantially reduced heroin production from the high level of 6.5 tons in 1975 to an estimated 1.5 tons of heroin in 1980 and 1.4 tons in 1981, with opium production holding level at 16 tons for both years. The program reduced the Mexican share of the U.S. heroin market from 87 percent to 36 percent (1981). We believe the amount of opium produced in 1982 was also approximately 16 tons.

The key to the campaign's success was the decision of the Mexican government to use aerial spraying of herbicides instead of manual eradication to destroy the narcotic crops. At the high point in the effort, some 10,000 hectares of opium poppy, which could have produced 10 tons of heroin, were destroyed.

Whereas in the mid-1970's Mexico was the principal source of marijuana for the U.S. market, it was estimated to account for only three percent of our supply in 1981.

Current Status.—We are requesting $8,500,000 to support Mexican narcotic control programs. Despite the economic problems Mexico has recently suffered, the de la Madrid government has assured us that the Ministry of the Attorney General will give priority to the opium poppy and cannabis eradication programs.

In the period December 1981 to December 1982, the Mexican Government reported spraying 15,956 opium fields totalling 943 hectares and 11,046 marijuana fields totalling 788 hectares. Total eradication during this period, including manual operations, is somewhat higher: 1,211 hectares of opium poppy in 22,772 fields. These figures underscore an important fact about narcotics control: In Mexico, the average poppy field was one-eighteenth of a hectare, and the average marijuana field was one-fourteenth of a hectare. These figures reflect in part the countering tactics of the growers; as efforts to eradicate become more successful, Mexican authorities are finding that the fields are becoming smaller, more isolated, and more difficult to detect. The Mexican authorities have changed their tactics accordingly.

The Department recently facilitated cooperation between the Governments of Mexico and Belize which resulted in aerial eradication of marijuana in Belize. We also helped establish a new working relationship between the Mexican Navy and the United States Coast Guard.

Ecuador

The country is important as a trafficking link for coca derivatives and cocaine moving from Bolivia and Peru to Colombia. INM has provided commodity and training support to the Customs Military Police and the National Police. In September, 1980, a program agreement was signed with the newly-formed National Directorate for the Control of Illicit Narcotics (DINACTIE) in the Attorney General's office. We are continuing our enforcement assistance effort with INTERPOL and are awaiting opportunities to continue assistance to DINACTIE.

Brazil

Since 1979, Brazil has shown evidence of becoming an important cocaine transit country, and is the principal source for acetone and ether used in cocaine refinement in Bolivia. Rather sophisticated drug distribution networks move coca derivatives from Bolivia to Colombia or cocaine through Brazil for ultimate sale in the United States and Europe. INM signed an agreement with the Federal police in September 1981, which provides support for interdiction operations aimed at disrupting trafficking at selected border areas. The agreement provides the Federal police with updated communications equipment and operational support for their border patrols.

While there is now a general recognition that drug abuse is an increasingly serious problem in certain urban areas, and there is a growing sensitivity to the crime, corruption and other problems associated with drug trafficking, drug enforcement has a relatively low priority in Brazil. A drug preventive education program was recently introduced in the national school system.

Bahamas

The Bahamas, given its geographic proximity to the United States and expanse of territory, has served historically (the Revolution, the Civil War, and Prohibition) as a conduit for contraband being smuggled into as well as from the United States. The use of the Bahamas by drug traffickers increased significantly in 1976 when Mexico implemented its drug crop eradication program and traffickers developed alternative marijuana production resources in Colombia and Jamaica. The Bahamas evolved as an important drug trafficking zone for Colombian marijuana and then other Latin American narcotics.

Our Embassy in Nassau has worked closely with the Bahamian government, the South Florida Task Force, DEA and other U.S. law enforcement agencies in the effort to interdict drugs being transshipped through the Bahamas to the United States. While much of the commodities used in interdiction efforts in the Bahamas are supplied by U.S. military or enforcement sources, INM has provided boats with radios, telex equipment and language instruction to facilitate Bahamian cooperation.

Haiti

We authorized our Embassy in December 1982 to negotiate an extension of the 1981 assistance agreement with the Haitian Government. The $209,000 program extension includes the costs of fuel and spare parts for continuing surveillance operations by the Haitian navy. The project is overseen by a U.S. Coast Guard officer assigned to Port au Prince and is supported by USCG maintenance technicians training Haitian navy personnel. The Haitian Navy attempts to locate drug boats moving through the Windward Passage and informs the U.S. Coast Guard of their location, or interdicts the vessel.

Jamaica

Jamaica is important to our Caribbean strategy because it not only is a major nsshipment point, but it is the only significant narcotics producer in the region. We are interested in engaging the GOJ in a cooperative program to reduce and, eventually, to eliminate its exports of marijuana to the U.S. Jamaica was the source of about 10 percent of U.S. marijuana imports in 1981.

We will give favorable consideration to a Jamaica request for assistance on a cooperative crop control effort. We have responded positively to previous Jamaica requests for narcotics control assistance, particularly requests for training. There has been an active cooperative effort among DEA, other U.S. and Jamaican law enforcement agencies for several years, including Coast Guard collaboration with its Jamaican counterparts in controlling seaborne trafficking. We remain hopeful that we will be able to assist Jamaica in developing a cooperative program on cannabis control to reduce and eventually eliminate its exports of marijuana to the United States.

Tuks and Caicos Islands (TCI)

The TCI is a scattered group of small, sparsely, populated islands just south of the Bahamas, situated perfectly for air and seaborne trafficking between Colombia and the Southeastern United States. Although TCI authorities cooperate fully in periodic DEA initiated sweeps of known trafficking points, under normal conditions traffickers can operate with virtual impunity. Islanders who participate in servicing aircraft or transferring marijuana from motherships to smaller vessels for the final leg to the U.S. are well paid by traffickers, which is virtually the only source of cash income for many. The only effective local enforcement unit is a small narcotics squad under the direct supervision of a British police advisor. INM provided in 1981 a seagoing launch intended to enable the police advisor to mount independent raids on suspected drug caches on outlaying islands.

Costa Rica

The Costa Rican government now recognizes that drug control is an issue which must be addressed, and we believe it is in our interest to support the Costa Rican government in drug control issues, INM has provided training and communications gear to the Drug Control Policy (DGCD) and we are currently exploring other areas where cooperation can be effective.

Panama

A transportation hub for Latin America, Panama is a connecting stop for commercial airlines, a flag of convenience for shippers, and a waterway between the Atlantic and Pacific. Panama is also a bank haven and its "free zone" is a transit point for a large volume of commerce, which facilitates drug smuggling. The drug unit in the National Guard has arrested numerous couriers and is cooperative in authorizing the Coast Guard to board and, if drugs are found, seize Panamanian flag vessels on the high seas. INM has provided communications equipment, radio, and laboratory equipment to the drug unit of the National Guard in the past, but has no current program.

Honduras

A significant number of drug trafficking boats fly the Honduran flag. The Honduran government has been very cooperative in authorizing enforcement action against them in international waters. INM has provided vehicles and radios for its police, and such modest assistance plus continuing training programs are probably the appropriate level and type of cooperation in this country.

Guatemala

The eradication campaign in Mexico has prompted some cultivation of illicit crops across the border into Guatemala. There is evidence of limited opium cultivation in addition to some "more traditional" marijuana production. The largest single narcotics issue in the country is, however, its use as a major transshipment point for cocaine—both by commercial and private aircraft. U.S. assistance has recently consisted of in-country DEA training. At this juncture, little else appears appropriate, as the Guatemalan Government is concerned with pursuing counter insurgency activities.

Belize

Our Embassy in Belize, based upon extensive DEA field surveys, reported a rapid expansion in marijuana cultivation, most of which was intended for exportation to the United States. The Belizeans asked the Mexicans for assistance, and the two governments formed a bilateral effort to destroy the marijuana crops by the aerial spraying of herbicides. We have decided to provide the Belizean police vehicles and other commodities to better support future eradication operations.

Other Latin American Activities

The Secretary of State is a member of the South Florida Task Force and, while our primary assignment in Task Force directives is to pursue crop control agreements with Latin American countries, the Department has undertaken a variety of programs in the Caribbean region. In addition to the projects mentioned above, our expenditures of approximately $5 million for Caribbean projects in the five years ending in Fiscal Year 1982 included funding for a project by Colombian Customs to intedict trafficking in the Caribbean, as well as a special project by the Colombian Navy for narcotics patrols in the Caribbean and Pacific.

We cooperate with governments on the development of police and customs capabilities to enforce domestic narcotics laws by funding training of foreign enforcement personnel by DEA and Customs. Training is an important INM-funded component of the overall U.S. strategy for Latin America. In Fiscal Year 1982, training was provided to 239 enforcement personnel from South America, including 101 from Peru, 55 from Bolivia, 45 from Colombia, 34 from Brazil, and 4 from Ecuador. In just the past two years, 225 persons from Caribbean countries, as well as 233 persons from Central America and Mexico, received INM-funded enforcement training, either in the United States or in their countries. These 458 persons represent approximately 20 percent of foreign nationals trained through INM programs in Fiscal

Years 1981 and 1982. In the past five years, a total of 807 officials from these transit regions have received INM-funded training, including 475 from the Caribbean and 332 from Central America.

Other units in State and Justice are actively exploring with various Caribbean countries mutual legal assistance and extradition treaties and shipboarding agreements to strengthen bilateral cooperation on criminal law enforcement matters, including the sharing of financial information that is critically needed to deprive traffickers of their profits. The utilization of offshore banks by trafficking organizations presents a major challenge to controlling the drug trade. Cooperation by Latin American governments in legal assistance remains a key Department interdiction objective as well as evidence of the political commitment of these governments to drug control.

SOUTHEAST AND SOUTHWEST ASIAN OVERVIEW

Heroin is our primary concern in both Southeast and Southwest Asia. Production estimates for opium production in Burma, Thailand, Pakistan and other countries are provided in the appendix to this testimony.

U.S. heroin imports have fallen since the peak year of 1975, when 7.5 tons were imported. There has been reduced production in Mexico resulting from the Mexican opium poppy eradication program. In 1979 and 1980, drought caused reduced production in Southeast Asia but bumper crops have been reported from that region in the past two years. These supply factors altered the profile of U.S. imports. In 1979, Southeast Asia passed Southwest Asia as the prime opium source for U.S. heroin and subsequently has dominated the U.S. market. While drought, low prices and a government ban on cultivation sharply reduced Pakistani production in 1980, 1981, and 1982, there is still a considerable stockpile from prior harvests and subsequent Pakistani and Afghan production.

Southeast Asian traffickers are attempting to recapture markets in the United States and Europe, while expanding their markets in Southeast Asia, Australia, New Zealand and Canada.

The principal route for narcotics from the Golden Triangle crosses the Thai/Burma frontier; this border area remains the primary site of the region's heroin refineries. Once, trafficking in opium involved huge caravans of mules; although small caravans continue, trafficking today is often accomplished by truck or river boat, and human portage of morphine base. While most Golden Triangle narcotics are transported out of Burma's Shan State and across Thailand to reach the outside world, new routes have also been developed along the Burmese Tenassirim coast to Malaysia, or south through central Burma to the Andaman Sea, and then to Malaysis and Singapore. Other new routes cross into India. Hong Kong, Penang, Kuala Lumpur and Singapore, as well as Bangkok, provided way stations for international narcotics traffic and banking facilities for "laundering" the enormous amounts of money generated by the narcotics trade. Major international airports remain the preferred departure areas for traffickers journeying to the United States and Europe. To avoid detection, couriers are taking circuitous routes which include the People's Republic of China.

Since 1978 increasing amounts of Southwest Asian opium have moved through Turkey, Cyprus, Lebanon and other transit centers to the European and U.S. markets. Pakistan, Turkey, and Italy are important refining centers for converting Southwest Asian opium into heroin. Karachi has become an important international sea and air transshipment point; seizures of heroin have also increased significantly from flights originating in Islamabad and Lahore. Large shipments of heroin have also been seized while moving by road toward Iran. Pakistan's 1982 heroin seizure total was over 1600 kilograms, more than triple the amount of heroin seized in the country during 1981. Increasing amounts are consumed by Pakistan's growing heroin addict population.

The accuracy of intelligence estimates varies by country and region. For example, estimates for opium production in Thailand are based on aerial surveys while estimates for Burma and other countries are based on less exact methods. Our Bureau is working with other units of government to improve the collection and analysis of narcotics intelligence.

SOUTHEAST ASIAN REGIONAL STRATEGY

Southeast Asian assessment

The Royal Thai Government has mounted sizable military operations since January 1982 against the Shan United Army, the principal trafficking group on the

Thai-Burmese border and are continuing the pressure against it and other illicit drug trafficking groups with narcotics-targeted military companies permanently deployed in the area, demonstrating a Thai commitment to suppress the heroin trafficking organizations on the Thai/Burma border. We are assured of continued, expanded suppression efforts. While we applaud both the Government's military actions against the SUA, as well as the commendable start of the civilian-police-military (CPM) projects, and look forward to the opium control strategy originally promised for early 1983, we are disappointed that the Thais have thus far failed to control the opium poppy, even in areas which have benefitted from the U.N. crop substitution program.

There has been a recent decline in the availability of precursor chemicals such as acetic anhydride used to refine opium into heroin, as a result of Thai enforcement of a "chemical free zone" in Northern Thailand. The amount of acetic anhydride reaching the northwest border refineries by traditional routes has dropped significantly, while prices have increased, and some refining activities have apparently moved to both sides of the Thai/Malaysia border.

The United States has assisted and cooperated with the Burmese by providing some needed enforcement equipment (e.g. the purchase of a maintenance funding for telecommunications equipment, a small fleet of helicopters and fixed-wing aircraft) and support for Burmese pilot programs for crop substitution in opium growing areas. In addition, the United States has provided training for Burmese officials with responsibilities for customs and narcotics enforcement.

Our programs have helped sharpen the Burmese focus on their narcotics problems and our material assistance and training have given them the tools for the job. Politically, our narcotics cooperation has fostered a unique bilateral relationship (for neutralist/isolationist Burma) in which our assistance relates to a sensitive Burmese domestic issue, i.e., U.S. assistance supports the narcotics control objective which is consistent with Burma's objective of securing its territory. By any measure, the number of acres of opium crop destroyed and amount of opiates seized is significant. In addition, the continuing Burmese efforts in fields not directly supported by U.S. assistance are a measure of their commitment to the overall goals of narcotics control.

Nevertheless, the narcotics program in Burma must be viewed as an integral part of the Golden Triangle narcotics phenomena. As long as Burmese warlords/insurgents/bandits know that they can enjoy even temporary safe haven in Thailand and Burma, the Thai and Burmese police/military actions and threats will be limited in their effectiveness. Greater Burmese/Thai cooperation and coordination is an essential long-term goal. In the last analysis, however, real progress in Burma will depend on greater Burmese authority in the poppy growing areas.

Southeast Asia program summary

Southeast Asian heroin accounted for about 10 percent of the heroin entering the United States in 1981 and was expected to account for 15 percent in 1982, according to the Drug Enforcement Administration. The Golden Triangle produced an estimated 600 metric tons of opium in the 1981 and 1982 crop years, after two years of drought.

The Department will continue to emphasize its crop control objective in its discussions with these governments. For several reasons, our regional strategy includes interdiction and suppression of heroin laboratories as well as crop control. For example, we cannot operate a crop control program in Laos, and most poppy growing areas of Burma are outside of government control. We will continue enforcement assistance to help consolidate recent government, military and police actions which have driven the major Golden Triangle heroin "warlord" from areas in Thailand along the Burma border and disrupted several of the heroin trafficking organizations. Location of heroin labs near the Thai-Burma border has made such operations successful. A sustained effort against the drug-supported warlords coupled with strict controls by governments on chemicals used in heroin refining would advance the goal of disrupting and ultimately suppressing heroin production.

SOUTHEAST ASIAN COUNTRY PROGRAMS: DETAILED REVIEW

Thailand

Background.—In the past, Thai officials were relaxed about narcotics grown, refined, transported through, or shipped from their country. Opium smoking (primarily limited to the Chinese in the cities and hill tribes in the countryside) was banned in the early 1960's. The extensive sales of heroin to American military did not arouse major official Thai concern. However, in the ten years since the withdrawal of U.S. forces, the serious local drug abuse problem has spread and there is major concern about the growing heroin addition problem in Thailand.

Although internal security, refugees, relations with Cambodia, Laos, and Vietnam, and the economy are of more immediate concern to the Thai government and public, the RTG devotes considerable resources to anti-narcotics efforts.

The United States has provided both equipment and training to Thai law enforcement entities. Narcotics control assistance since fiscal year 1972 has amounted to some $23 million. Customs and DEA training in methods of narcotics interdiction, investigation techniques and teaching methodology is geared toward assisting the Thai enforcement agencies to become self-sufficient in narcotic law enforcement.

The Thai government decided in early 1982 to establish an extraordinary suppression effort targetted on heroin trafficking groups based in Thailand and operating along the Thai/Burma border. We responded to a Royal Thai Army request for material and operational support which would permit sustained suppression of trafficking groups by Thai units. This force is deployed in the most contested area of the Thai/Burma border.

Current status

Military actions have disrupted trafficking and refining activities on the border. However, suppression of these laboratories is particularly challenging. Narcotic refineries in the Thai/Burmese border area are crude dwellings with little more than large kitchen equipment, a fire, and presses for morphine blocks; the buildings are quickly errected and just as quickly dismantled and moved or abandoned. Moreover, the area in which these refineries are located is rugged, mountainous, and forested, sometimes by double or triple canopy vegetation. Despite these problems, and the fact that exact locations of refineries are difficult to obtain, the Royal Thai Government has a credible record of lab suppression: in ten operations, 15 refineries and 3 storage sites were destroyed. Much of the refinery operation has been forced deeper into Burma; in the past year, the Burmese government destroyed six refineries.

The Thai Government also has been effective in reducing the availability of precursor chemicals used in converting opium to heroin, which contributed to reduced production of heroin and morphine base; however, these chemicals are increasingly available from other sources in the region. We will encourage tighter controls on precursor chemicals throughout the region. We will continue to support crop control-related development assistance projects in Thailand when there is a concurrent Thai commitment to crop control. The $680,000 in our budget will be available for ongoing and anticipated projects of this nature as well as to support the Thai crop assessment program. We have budgeted $2,750,000 for our projects in Thailand.

Crop Substitution Eradication.—Thai crop substitution efforts have been carried out for over 15 years, originating with the "King's Project," in Chiang Mai Province. Eight years ago, the United Nations Fund for Drug Abuse Control (UNFDAC) became involved in the programs.

For many opium farmers in the hill tribes of northern Thailand, opium has been the primary cash crop. Rice production in many areas is insufficient to meet subsistence requirements. While there has been some limited success with such new crops as potatoes, beans and coffee, new crops have not "caught on" sufficiently either in interest or market value to be a disincentive to poppy cultivation. Although the programs have been successful in introducing new crops to limited numbers of farmers, they have, thus far, had very limited success in reducing the numbers of acres planted with opium poppies, since the Thai Government has yet to take effective action in enforcement of its opium growing ban. Without adequate enforcement, opium will continue to be grown by the hill tribes because it is a remunerative cash crop.

A recent development has been the voluntary surrender of opium stockpiles and a pledge by hill tribe villages to abandon cultivation in return for transitional assistance. We supported Thai civil-military authorities in three of these civilian-police-military projects (CPM) as a pilot project; two additional programs have been initiated this year, and we now project having CPM projects in 20 village clusters (of about 8 villages each) by 1985. The CPM project villagers agree, as a group, to relinquish to Thai authorities all commercially grown opium in the village, and promise to discontinue growing opium, in order to receive financial and commodity assistance. RTG police and military are responsible for policing the area, preventing insurgent activity, and enforcing the agreement should villagers plant commercial plots of opium. CPM authorities provide developmental assistance; support can include emergency food, building materials, seed stocks, pesticides, agricultural tools, extension services, market support.

Demand reduction.—Demand reduction programs in Thailand include prevention, treatment, and rehabilitation. The Thai Government actively supports demand reduction, as demonstrated by a relatively high level of cooperation and coordination between the Bangkok Metropolitan Health Department, the Ministry of Health and ONCB. The overall project goal is to reduce the demand for narcotics in Thailand, prevent further spread of drug abuse to rural areas, and stimulate increased cooperation with law enforcement agencies through increased public and official awareness of the social impact of addiction.

The U.S. program provides training, technical assistance, and equipment for treatment and prevention. This project, which emphasizes increasing Thai awareness of its drug abuse problems and preventive education by the schools and media, continues through fiscal year 1984.

Other Government Agencies.—The U.S. Department of Agriculture has been funding crop substitution, research and extension activities in Thailand since 1973. The objective is to identify viable alternative agricultural cropping systems to replace income from opium poppy production. The U.S. Information Agency supports U.S. narcotics control objectives through a modest information program on prevention, and by dissemination of policy and program information.

International Organizations.—As noted, the United Nations Fund For Drug Abuse Control (UNFDAC) has an active pilot crop substitution program which has received logistical and agricultural resource support from the USDA and State Department narcotics program in Thailand. The UN contribution is $2.4 million for five years matched by $1,234,800 in Thai funds. UNFDAC recently evaluated this project and extended it for two years. UNFDAC is implementing several programs for treatment, rehabilitation, prevention and research, projected at almost $2 million with $9 million matching Thai funding over a four-year period. This program would build upon U.S. programs in demand reduction. Efforts by other countries are noted in a later discussion of other bilateral and multilateral efforts.

Burma

Background.—Burma is the primary opium growing areas in Southeast Asia. The dangers of both domestic narcotics abuse and international narcotics traffic are understood by the Burmese. For the Burmese, illicit narcotics pose a combination of social, political and security problems—all interrelated.

The social problem of narcotics in Burma is both historical and modern. Opium usage and addiction in Burma are not a recent phenomena. The hill tribe growers of the area historically have consumed the opium for medicinal purposes as well as for general addiction. In 1942, when the British evacuated Burma in the face of the advancing Japanese Army, there were 50,000 registered opium addicts.

The increasing world focus on Burma's role in international trafficking has led to concern by the government over its international image. In 1974 Burma passed a strict, Narcotics and Dangerous Drug Law. Since then, anti-drug efforts have been given a high priority.

Burma's narcotics problem is intertwined with the insurgency problem. Since independence in 1948, the Rangoon government has had to contend with rebellious groups seeking national power (such as the Burmese Communist Party) and by ethnic minorities seeking autonomy for their regions (the Shan, Kachin, and Lahu insurgency groups, to name a few). To these groups have been added several powerful armed bands of narcotics traffickers, usually ethnic Chinese, at least in leadership. As previously noted, these groups are heavily dependent upon the opium trade for their income, arms purchases and other activities.

A significant reduction in opium production and trading would affect some areas of Burma more than others. The economy in the Eastern Shan State appears to be heavily dependent upon opium revenues. For some hill tribes, opium has been an acceptable and valued cash crop. The recent prohibition against opium growing and the subsequent Burmese eradication programs have taken income from growers, but it was found that growers were rarely dependent upon opium for their survival.

American-Burmese cooperation against illicit narcotics began with a June 1974 bilateral agreement, effected by an exchange of notes between the American Ambassador and the head of the Burmese People's Police. Under the terms of this agreement, and subsequent amendments, and the current project agreement, the United States provides Burma with helicopters, fixed-wing aircraft, communications equipment and associated training and equipment-maintenance support. The bulk of our current budget is dedicated to aircraft maintenance contracts for previously supplied equipment. To assist the Burmese government in developing replacement income for former opium growers, the United States has provided limited assistance in development of alternative agriculture and livestock projects.

Current Status.—Narcotics is a multi-faceted problem and Burma has developed an integrated strategy for dealing with it. The Burmese have developed programs involving military and para-military operations in narcotics source areas against narcotics caravans, as well as route interdiction, law enforcement, treatment, rehabilitation, crop substitution and destruction, education, and information programs.

We intend to continue support for the Burmese Air Force's capability to airlift ground forces engaged in poppy eradication and interdiction operations. Our budget increase also provides for expanded training and for improved telecommunications. We have budgeted $5,795,000 for support of Burmese projects in fiscal year 1984.

The Burmese Central Committee for Drug Abuse Control (CCDAC), chaired by the Minister of Home and Religious Affairs, consists of eight deputy ministers from other concerned government ministries. Responsibilities of the CCDAC are nationwide and include all aspects of the government effort, including enforcement, crop/income substitution, and treatment and rehabilitation.

(1) Enforcement.—A basic part of the Burmese enforcement strategy focuses upon interdicting narcotics caravans and destroying refineries and base camps operated by trafficking groups. Burmese police and military personnel have been active both in major operations against the BCP narcotics activities and the poppy eradication programs.

(2) Crop Substitution/Eradication.—The Burmese government estimates that it eradicated more than 10,000 acres of opium poppy in the 1981–82 season that could have produced as much as 40,000 to 45,000 kilograms of opium. While this represents about eight percent of the total acreage under poppy cultivation in Burma, it almost doubled the previous year's destruction. The increased crop destruction included areas where the Burmese Communist Party is involved and even controls the narcotics trafficking.

A Burmese crop substitution program supported by UNFDAC is making progress in distributing coffee and tea plants, seeds for spices and medicinal herbs, and improved livestock to farmers in areas in which opium was formerly grown. CCDAC is establishing a multi-sectoral livestock, horticultural, and demonstration center at Pekhon in the southern Shan State. The purpose of this center will be to provide training and to demonstrate viable crop substitution and livestock production. The INM program has provided equipment and training to support pilot programs for crop substitution. However, the full impact of these programs on opium production must await more hospitable conditions in poppy producing areas.

(3) Treatment, Rehabilitation, Training, and Information.—The Burmese Ministeries of Health and Social Welfare have responsibility for addict treatment and rehabilitation programs, respectively. Treatment centers have been established in each of the major urban centers with addict population problems. Larger hospitals have treatment wards; district and township hospitals have a basic capability for treating addiction. Rehabilitation centers have been established. in Kengtung, Namla, Rangoon, Mandalay, and Lashio. Treatment and rehabilitation centers have been improved and expanded by UNFDAC.

The government conducts a continuous program of narcotics information through the government-controlled news media, in schools, posters, and public and party indoctrination sessions.

Other Programs.—UNFDAC has several programs in Burma. Between 1976 and early 1981, UNFDAC assisted Burma by financing a large multi-sectional drug abuse control program involving activities in law enforcement, crop and income substitution, education, health, and vocational rehabilitation at a total cost of $5,571,000 over the five-year period. Phase II of this program was agreed upon in June 1981 for five years at a cost of $5,042,000. Development aid funds for this program have been provided by the government of Norway.

SOUTHWEST ASIAN NARCOTICS CONTROL STRATEGY

Southwest Asian summary

Afghanistan, Iran and Pakistan are the principal sources of the opium from which over half of the heroin entering the United States is processed. Since we have no cooperative drug control programs with Iran or Afghanistan, our regional strategy centers on Pakistan as an opium producer, a heroin refiner, and a transshipment point for other SWA opium, and, on Turkey as a conduit of opiates moving from Southwest Asia to the Near East, Europe and the United States.

During separate visits to the United States, President Zia and NWFP Governor Haq restated Pakistan's commitment to its opium poppy ban. Our basic objective is to cooperate with the Government of Pakistan in its suppression of opium production, processing and trafficking in heroin to the fullest extent possible. However, traditional values and customs, market forces, bureaucratic disputes, provincial and tribal autonomy, and the time needed to implement development programs make it unlikely that poppy cultivation in the NWFP can be eliminated in the near future. The prospect is for application of the Pakistani ban throughout the merged areas, currently the predominant source of opium, with continued suppression of heroin laboratories, and then gradual extension of the ban into the more difficult-to-control tribal areas. Pakistan's relations with its neighbors, its political stability and its economic progress will also affect the narcotics control effort, as will the flow of opium from Afghanistan.

SOUTHWEST ASIAN COUNTRY PROGRAMS: DETAILED REVIEW

Pakistan

Background.—Although opium poppies have been grown in the rugged Northwest Frontier Province (NWFP) for centuries, Pakistan has only recently become a major world producer and exporter of raw opium. In the past few years, Pakistan has also became a major processor and exporter of refined heroin and a significant factor in the world heroin market. A bumper crop of 800 metric tons of opium in 1979 made Pakistan that year the largest producer of illicit opium. Pakistan is also a transit center for other Southwest Asian opium.

In 1979, the Government of Pakistan banned the opium poppy. This ban is enforced in the "settled" areas, a term which describes those areas effectively under central government control. Government authority is being extended in the "merged" areas of the Northwest Frontier Province (NWFP); the central government's authority is only partially operative in such areas at present. The merged areas account for about 80 percent of Pakistani opium production. However, in "tribal" areas of the NWFP, where about 20 percent of the opium is cultivated, government authority has been exercised through agreements which allow tribal leaders much local autonomy. The presence of over two million Afghan refugees adds to enforcement difficulties in Pakistan.

Current Status.—Pakistan has agreed to enforce its ban on opium cultivation in merged areas where it receives development assistance. INM's rural development project in the Malakand Agency is designed to encourage farmers to grow other crops and seek other income sources, and to provide infrastructure support.

The $3.55 million requested for Pakistan in fiscal year 1984 provides greater support for the reduction of poppy cultivation and for enforcement against heroin processing and trafficking. The rural development project in the Malakand Agency would be funded for its third and final year in fiscal year 1984. It is expected that by fiscal year 1984 USAID will be in the implementation stage of a similar narcotics-related development project in another NWFP poppy growing area (the Gadoon) which will enhance efforts to enforce the poppy ban; the poppy control objectives of the AID project will be supported with INM enforcement assistance. Pakistan has also accepted restrictive "poppy clauses" which commit the government to keep USAID development economic assistance project areas free of opium poppy. These clauses are assurances that opium cultivation and/or heroin processing will not be enhanced by U.S. economic assistance.

These U.S.-assisted projects in the Malakand and Gadoon, and the United Nations project in the Buner, provide development assistance related to crop control in growing regions that, in 1981, reportedly accounted for as much as half or more of estimated Pakistani opium cultivation.

Malakand Agency cultivation involved an estimated 830 acres of opium poppy in 1982 when project implementation bagan. For the 1983 harvest, the Embassy reports that only 536 acres of opium poppy were planted, and 150 of those acres were destroyed under the Pakistani enforcement program in the Malakand, leaving a current net balance of 376 acres. The destruction by government bulldozers of 150 acres in which the plants were already in an advanced stage of growth is significant. We expect this progress in enforcement linked with crop substitution and rural development to continue through the balance of the program and to result in the virtual elimination of poppy planting in this agency.

While a date by when all of the opium cultivation in the merged and tribal areas would be under similar project agreements cannot be projected, INM is actively planning additional measures to assure programs in the balance of the opium growing areas. Although project agreements covering tribal areas along the Afghanistan border are not yet realistic possibilities, INM is prepared in 1984 and 1985 to include extension of agricultural outreach programs, which have been the precedent for control-related development projects, into other significant opium producing areas, including tribal areas.

Unlike some other countries, Pakistan has demonstrated in the Malakand and Buner areas that it will enforce its ban, and eradicate crops, before the benefits of development assistance are fully realized.

The INM Malakand project and the prospective USAID projects are part of a program of continuing assistance to help Pakistan achieve control of narcotics. Since 1979, the following narcotics project agreements have been signed:

Narcotics Control Enforcement (POKER).—To support the development of a special drug enforcement unit in the Pakistani Customs Service at the port of Karachi by providing vehicles, communications equipment, other commodities, training and technical assistance.

Narcotics Control Enforcement.—To support training of officers from several law enforcement agencies both in Pakistan and in the U.S.; and provide funds for equipment for a Narcotics Training Center. The actual training has been provided by DEA and U.S. Customs. Additionally, communications equipment, vehicles and other investigative commodities have been procured for the PNCB joint task force units recently established in Karachi, Lahore, Peshawar and Quetta to enforce illegal narcotics trafficking.

Narcotics Demand Reduction Studies.—To study drug abuse and related socio-economic factors in Gilgit. A smaller separate study is being concluded in Sialkot.

Forensic Laboratory.—To provide equipment and training to permit the establishment of a badly needed forensic laboratory.

Agricultural Outreach.—To develop an agricultural outreach program which will provide seed, fertilizer and small implements for alternative and improved crops.

Malakand Agency Development Program.—To improve economic and social conditions through rural development projects in the Malakand Agency of the NWFP, in order to enhance the GOP's capability to enforce its ban on opium poppy cultivation.

Several actions by the Pakistani government in 1982 are important. In the 1981-1982 season, the Pakistani government eradicated opium poppy in the Buner area of the NWFP where a United Nations development project is operating—the first eradication effort in a merged area. In early 1982 the GOP seized a heroin laboratory in the tribal territory of the NWFP—the first lab seizure since 1978—overcoming armed tribal resistance. In December, tribal leaders directed the closing of more than two dozen heroin laboratories in the Khyber Agency, after meetings with government officials. The Bureau's fiscal year 1984 budget continues commodity and training assistance to Pakistani narcotics enforcement agencies to upgrade their capabilities. Over 1600 kilos of heroin were seized by Pakistani authorities in 1982.

Other Programs.—There are several actions underway to broaden the support for control projects in Pakistan, where in addition to the continuing United States and United Nations support, six other donor nations (Norway, Federal Republic of Germany, Netherlands, United Kingdom, Canada and Australia) have initiated or are planning narcotics-related activities.

U.N. Agencies (UNFDAC, WHO, FAO) have been active in Pakistan since 1976, primarily in small narcotics-related health programs and in a crop substitution program in the Swat District of the NWFP. UNFDAC has projected expenditures of $2.10 million in 1983 and 2.13 million in 1984 in Pakistan. UNFDAC's five-year development project in the Buner subdivision was completed in 1981 and has been renewed for an additional five years with 1981-83 funding of $4.2 million. Primary emphasis has been placed on water resource development and crop substitution with a treatment and rehabilitation center for the local addict population. UNFDAC funding for the Buner project includes funds earmarked for that purpose by Sweden, the Federal Republic of Germany, and the United States. Germany is also contributing to narcotics control in Pakistan by funding a national study of in-country drug abuse.

Turkey

Turkey has demonstrated the will and the capability for effective opium poppy crop control and narcotics interdiction. Since the early 1970's, Turkey has prevented illicit diversions from its legal poppy cultivation. Our request for $1 million provides funds for equipment and training for the Turkish National Police (TNP) and the Jandarma to upgrade transportation, communications and other equipment and to provide training that Turkey cannot supply. Both the TNP, which is responsible for drug law enforcement in the urban areas, and the Jandarma, which has anti-smuggling responsibility throughout the country, have the skills and motivation to utilize effectively the assistance provided.

COORDINATION AND COOPERATION

The Department of State and specifically INM cooperate with various U.S. agencies, especially with the Drug Enforcement Administration, as well as the Agency for International Development, U.S. Customs, U.S. Coast Guard, the National Institute on Drug Abuse, U.S. Navy, and other units within the Departments of Agriculture, Justice, Treasury, Commerce and Transportation to halt the flow of narcotics into the United States. In addition to cooperation on country programs, this cooperation and coordination takes many forms, including joint participation in: the Cabinet Council on Legal Policy and its Working Group on Supply Reduction; the cabinet Council on Human Affairs and its Working Group on Drug Abuse Health Issues; international task forces formed by these working groups; the South Florida Task Force; the monthly Oversight Working Group meetings of the White House Drug Abuse Policy Office; INM monthly interagency meetings attended by supply and demand reduction agencies; monthly intelligence meetings; and monthly coordination meetings with DEA. We also have routine discussions and special meetings in support of our active collabortion in the field.

International narcotics control policy is established in Washington, as are program and budget decisions, by INM, in active consultation with other bureaus in State, other agencies such as DEA, AID, USIA, NIDA and others, utilizing reports and recommendations from posts as well as information from intelligence agencies, INM visits, etc. These decisions on policy, program and budget pursue the goals, objectives and broad policy outlines established by the Administration and the Department in the Federal Strategy and other policy documents.

In source and transit countries, U.S. efforts center around the Ambassador and the Narcotics Coordinating Committee, which encourages and works with host governments on narcotics control strategies, negotiates and monitors program agreements for crop control and interdiction assistance, and provides status reports on narcotics problems as well as other relevant information. The senior State narcotics program officer and DEA agent are members of the Ambassador's country team. The Coordinator for Narcotics Affairs (CNA), who is usually the Deputy Chief of Mission, acts as the principal advisor on narcotics-related matters.

INM has established Narcotics Assistance Units at Embassies in the key producer countries, which, under the direction of the CNA, will include one or more INM specialists and/or country employees who direct INM-funded projects. The CNA coordinates the activities of mission components in the attainment of the goals of the post's international narcotics control program. The Ambassador or DCM will chair the interagency Narcotics Coordinating Committee, which sets mission policy on narcotics control issues. The narcotics committee, including INM, DEA, AID and other officials as appropriate, collaborate on assessing narcotics problems, developing control strategies, coordinating with host government agencies, analyzing and submitting narcotics strategy reports, and evaluating the effectiveness of control program.

INM works closely with DEA throughout the world, with emphasis on collaboration in Latin America, Southwest and Southeast Asia. In addition to their direct responsibilities for technical assistance, casebuilding and other investigatory activities, DEA agents work with INM narcotics coordinators in assessing the nature and degree of the drug problem, and in working with host government law enforcement agencies on planning and implementing action strategies.

As described in the country sections, the Agency for International Development has funded a rural development project in Peru's Upper Huallaga Valley, is planning a development project for Pakistan's Gadoon area, and is prepared to support development projects in Bolivia, contingent upon agreement on a coca control plan. INM has been integrally involved in the planning of these projects, just as AID assisted in the design of INM's Malakand project in Pakistan.

The United States Information Agency, in coordination with INM, seeks to inform the peoples of the three regions, with special current emphasis on Peru, Bolivia and Colombia, about the major efforts underway to reduce U.S. domestic drug abuse demand and to curtail domestic cultivation of marijuana.

INM cooperative initiatives also include our efforts to encourage European governments to participate in control programs and to apply their international influence on producer nations, e.g., the current emphasis on European participation in coca control programs in South America.

South Florida task force (SFTF)

The special assignment given to the Secretary of State by Vice President Bush was that INM would concentrate on crop control in Latin America while other U.S.

agencies concentrated on interdiction and other enforcement activities in South Florida and the Caribbean. The nature of the Task Force, with its focus on smuggled drugs, embraces source and transit countries in the drug trade. Our foreign relations with these countries largely determine the extent to which we can enlist them in intelligence and interdiction efforts. Our Embassy in Nassau has been the diplomatic mission most directly involved with the task force.

NNBIS

On March 23, 1983, President Reagan announced the formation of the National Narcotics Border Interdiction System, which is designed to coordinate the activities of those Federal agencies with existing responsibilities and capabilities in interdiction of sea and airborne narcotics. The NNBIS is chaired by Vice President Bush, and the Coordinating Board, directed by Admiral Daniel J. Murphy, is composed of ranking officials from the Departments of State, Defense, Treasury, Justice and Transportation.

OTHER ACTIONS

INM assistance to their U.S. agencies in their interdiction efforts has taken many forms. For example, we worked with the USCG, DEA, the Mexican Attorney General's Office, and Mexican Navy in convening a meeting last November to discuss improving drug interdiction cooperation in the Yucatan channel. A follow-up meeting took place recently in Miami, and we are hopeful that closer cooperation will result in improved enforcement coverage in the Yucatan area.

The Department encourages bilateral actions between other producer, transit and consumer nations. Mexico has hosted individual delegations from several countries, and international conferences, to demonstrate its "permanent campaign" against marijuana and opium. We are encouraging further exchanges of information on eradication techniques between the Mexicans and other Latin American countries.

As noted earlier, other units within State, Treasury and Justice also have drug-related concerns, including off-shore haven banking, such as the banking practices of the Cayman Islands which have permitted almost unimpeded movement of narcodollars. Both the FBI and Customs have conducted successful, long-term investigative actions against illegal cash flows. The State and Justice Departments, in consultation with U.S. law enforcement agencies, are actively exploring with various Caribbean countries the possibility of concluding agreements such as mutual legal assistance and extradition treaties to strengthen bilateral cooperation on law enforcement matters, including the sharing of financial information. U.S. efforts to obtain financial information from the Netherlands Antilles, for example, will be enhanced by the Treaty on Mutual Assistance in Criminal Matters, recently concluded between the United States and the Netherlands, and made applicable to the Antilles.

Training

Crop control must be supported by a strong enforcement effort. We will continue cooperating with governments on the development of local police and customs capabilities to enforce effectively domestic laws against trafficking. INM funds international narcotics training provided by DEA and Customs. From fiscal year 1971 through fiscal year 1982, approximately 24,580 foreign officials participated in courses designed to increase their operational skills and build institutions.

Intelligence

The Department of State is both an important collector of narcotics intelligence information and the primary consumer of finished narcotics intelligence on policy-level international narcotics developments. The Department took the lead in pressing the National Foreign Intelligence Board (NFIB) agencies to expand their narcotics intelligence roles. The Department has been a long-time advocate of closer coordination between NFIB collectors and U.S. law enforcement organizations which collect foreign narcotics information in the performance of their narcotics duties. The Department has particularly sought enhanced coordination of these activities under the guidance of the Director of Central Intelligence.

DEA has the responsibility for tactical narcotics intelligence development, which is most frequently used in support of interdiction efforts. The Central Intelligence Agency is an important source of strategic narcotics intelligence, and, under Executive Order, is responsible for coordinating foreign intelligence on narcotics.

A comprehensive narcotics intelligence collection plan, upon which the requirements of individual agencies are based and given priority, is currently under revision and its approval is expected soon. In addition, measures to improve field coordination and disseminate strategically significant information collected during the course of enforcement investigations are now under active consideration by the concerned agencies.

DIPLOMATIC INITIATIVES

It is relevant to the scope of this hearing to understand the efforts by the Department to internationalize support for narcotics control projects.

The United States narcotics control strategy includes diplomatic initiatives to achieve greater participation by and program coordination with other governments. In recent months, INM, with explicit support from Secretary Shultz, has been conducting discussions with Governments in Canada, Europe, the Middle East and Japan, to seek greater international narcotic control efforts from them, both bilaterally and through international organizations. Through the United Nations or bilaterally, the Federal Republic of Germany is participating in control programs in Thailand, Pakistan and Turkey; the Norwegian government is active in crop control in Burma; and Australia is active in Thailand. Italy, Norway and Sweden have indicated interest in supporting development programs to achieve coca control.

United States drug enforcement agencies and our diplomatic missions maintain productive working relations with their European counterparts—which are improving as Europeans recognize the long-term implications of drug abuse on their societies. European governments are assigning greater numbers of narcotics enforcement advisors to their diplomatic missions in producing countries. Diplomatic and program assistance coordination with the Europeans continues to be conducted primarily through international organizations, particularly organs of the United Nations. The United States cooperates closely with the Federal Republic of Germany through a joint Central Working Group, that features exchanges on supply and demand reduction as well as close cooperation by DEA and U.S. military with their German counterparts. We also participate with European governments through the Pompidou Group. We are encouraged by increased attention being given the narcotics issue by some foreign ministries and political leaders.

INTERNATIONAL ORGANIZATIONS

Drug abuse is not just an American (U.S.) problem; it affects all nations from the poorest to the wealthiest, countries which produce and traffic in drugs, and those which are only consumers of drugs. Historically, the U.S. Government has borne much of the costs of international control programs; the United States is urging other nations to assist through bilateral and multilateral narcotics control programs and through direct economic assistance to producer countries.

The U.S. Government funds bilateral narcotics control projects in Mexico, Peru, Bolivia, Colombia, Brazil, Ecuador, Thailand, Burma, Pakistan and Turkey, as well as projects in key transit nations in the Caribbean such as Belize, the Bahamas, and Haiti, among others. Through its diplomatic and donor nation initiatives, the United States is seeking increased sponsorship of narcotics control programs in these countries by international agencies and other governments, especially by the United Nations and by major donor nations.

The United States is encouraging larger contributions as well as an increase in the number of donors, part of a diplomatic initiative which seeks a higher foreign policy priority for narcotics control.

United Nations agencies monitor and apply controls on the flow and use of narcotic and psychotropic substances, and coordinate multilateral efforts to control production, trafficking and abuse. Since its founding in 1971 with United States sponsorship, the United Nations Funds for Drug Abuse Control (UNFDAC), which funds narcotics projects throughout the world, has been a vehicle for multilateral implementation of narcotics control and demand reduction programs.

The United States addresses the international narcotics problem in the United Nations General Assembly, the Economic and Social Council, the Commission on Narcotic Drugs (which is the U.N. policymaking body on drug matters), and other U.N. organs. In addition to UNFDAC, these include the International Narcotics Control Board, the World Health Organization, and the Division for Narcotic Drugs. In 1982, the Commission on Narcotic Drugs adopted a long-term global strategy and a basic five-year action plan, which calls for enhanced, expanded efforts by UNFDAC, DND and the INCB.

We believe the International Narcotics Control Board has been effective over the years in its limited role of monitoring compliance with the Single Convention on Narcotic Drugs and the Convention on Psychotropic Substances, and we believe that compliance by narcotics producer countries with the varied requirements of the

Convention has been facilitated by the programs and assistance such countries have received from UNFDAC, the INCB and DND, as well as bilateral donors. However, we realize that the INCB's authority, beyond issuing reports and establishing quotas, is restricted.

The United States does not evaluate UNFDAC projects, but does receive copies of and render comments on evaluations provided by UNFDAC and others. However, the most exacting review we can conduct is through our continuing discussions with UNFDAC staff with whom we share inter alia the observations of our own narcotics control personnel from the countries where UNFDAC projects are operating. At this time, we do not believe UNFDAC is living up to its potential and are continuing to urge the Fund to undertake projects more expeditiously and with greater emphasis on projects which are linked directly to crop control.

We believe U.S. urging has been effective in increasing contributions to UNFDAC. However, the United States is disappointed by both the number and size of contributions to UNFDAC, despite recent increases.

UNFDAC's revenues were $7.3 million in 1982. UNFDAC's planned expenditures are about $9–10 million, reflecting accumulations of past contributions which UNFDAC is now disbursing. UNFDAC has planned projects for 1983 in Bolivia, Burma, Colombia, Ecuador, Pakistan, Peru, Thailand, and Turkey, among others. The United States has been the largest contributor to UNFDAC over the years, accounting for 57.6 percent of country contributions from 1971–1982. However, in 1982, the U.S. contribution was 27.39 percent of country contributions, and our $2.5 million contribution was exceeded by the Federal Republic of Germany's contribution of $2,480,890 (33.98 percent). (We have budgeted $2.5 million as our contribution to UNFDAC in fiscal year 1984. We are also budgeting $75,000 for support of the Colombo Plan's narcotics program.) The U.S. and FRG account for 61.4 percent of country contributions. Other important contributors to UNFDAC are Sweden, Japan, Canada, Norway, Australia, France, Italy, Austria and the United Kingdom. These 11 countries provide 88.33 percent of country contributions. The latest report on contributions to UNFDAC (1982) shows that 42 nations contributed ($6.7 million) compared to 35 nations in 1980.

Recent U.S. emphasis has been on encouraging European involvement in coca control programs in South America; UNFDAC is actively promoting an Andean control project in response to an ECOSOC resolution in 1982.

Several countries earmark portions of their UNFDAC contributions for specific projects, including the Federal Republic of Germany (Pakistan); Norway (Burma); Sweden (Afghanistan, Pakistan and Laos); and Australia (Burma and Thailand). The United States also earmarks portions of its UNFDAC contribution for projects in key narcotics producing countries.

We are also disappointed by the number of countries undertaking bilateral narcotics control programs. The Federal Republic of Germany is the only other significant sponsor of bilateral projects. The Federal Republic of Germany has initiated projects in Thailand, Pakistan, Turkey and Morocco and has other projects under consideration. Thailand has been the focus of much of the bilateral effort to date. Canada has provided $200,000 for narcotic related projects in health and crop substitution and training. The United Kingdom has provided some commodities, a coffee expert, and $50,000 each year to Thai law enforcement. New Zealand, France and Japan provide funds for educational grants and other crop substitution programs. In recent discussions, we have encouraged the Japanese to provide assistance to advance narcotics control.

PLANNING

Although many of the narcotics producing nations have already developed narcotic control plans, often in concert with the development of program agreements with INM, we intend to give this aspect even more emphasis in the months and years to come. The feasibility of planning will be enhanced by new agreements with Colombia and Bolivia, the accession of another important growing area in Pakistan, and the development of a comprehensive control plan in Thailand. A draft plan developed by Bolivia is the basis for our current negotations on U.S. assistance for a crop control program. We have committed assistance to Peru on the basis of a plan for the Upper Huallaga and anticipate Peruvian development of plan for other growing regions. INM has received a development plan from Thailand; we anticipate receiving a formal opium control plan from the Royal Thai Government by the end of the year. Each assistance project in Pakistan is implemented according to a plan for that area. The Burmese utilize intelligence from their own overflights and other sources to plan their annual eradication program. Mexico is committed to a plan of eradicating opium poppy and cannabis throughout its territory, also based on understanding the dynamics of the cultivation activity.

DATA ON PROGRAMS AND OPERATIONS

The Committee has requested a variety of data on INM programs and related activities, including: (1) obligations and expenditures by INM and AID, by country, for both supply reduction and demand reduction programs; (2) data on hectarage under narcotics cultivation before and after implementation of U.S. assisted programs; and (3) a year by year record of seizures in countries where INM is supporting interdiction efforts. The data requested are provided in an appendix.

SUMMARY

We are pursuing the Administration strategy of increasing crop control and interdiction in the source countries. The Bureau's requested authorization for Fiscal Years 1984 and 1985 anticipates a continuation and expansion of crop control and interdiction efforts in major producing and transit countries. Our requested increase centers on the coca and marijuana threat from South America, while expanding our efforts to reduce the influx of heroin from Mexico, Southwest and Southeast Asia.

NARCOTICS STATISTICS

JUNE 1, 1983

Opium and Heroin Production and Imports: 1981:

(a) opium production:

Southwest Asia	800-950 metric tons
(Pakistan	100 metric tons)
(Iran	500-600 metric tons)
(Afghanistan	200-250 metric tons)
Southeast Asia	600-610 metric tons
(Burma	500 metric tons)
(Laos	50 metric tons)
(Thailand	50- 60 metric tons)
Mexico	16 metric tons

(b) heroin imports and U.S. market shares:

Southwest Asia	2.2 metric tons	54%
Mexico	1.4 metric tons	36%
Southeast Asia	0.4 metric tons	10%
Total:	4.0 metric tons	100%

Coca and Cocaine Production and Imports: 1981:

(a) 1981 coca leaf production:

Bolivia	55,000 metric tons
Peru	50,000 metric tons
Colombia	2,500 -3,000 metric tons

(b) cocaine imported into the U.S.: 40-45 metric tons
cocaine consumed in the U.S.: 35-45 metric tons

(c) cocaine exported to Europe et al: 12 metric tons

Marijuana Production and Imports: 1981:

Source	Metric Tons	% Imports	% Supply
Colombia	7,500-11,000	86	79
Jamaica	900--1,200	10	9
Mexico	300----500	4	3
Domestic US	900--1,200	0	9
	9,600-13,900	100%	100%

Source: National Narcotics Consumers Intelligence Committee, 1981

OPIUM AND HEROIN

(in metric tons)

Production	OPIUM	1981	1980	1979
Golden Triangle	Burma	500-600	150-170	95-110
	Thailand	50- 60	10- 15	15- 20
	Laos	50	40	50
	Total	600-610	200-225	160-180
Latin America	Mexico	16	16	10
Golden Crescent	Pakistan	100	125	800
	Afghanistan	200-250	200	(200)
	Iran	500-600	400-600	400-600
	Total	800-950	725-925	1400-1600

U.S. Imports	Heroin	1981	1980	1979
	SWA	2.2	2.1	1.3-1.5
	SEA	0.4	0.4	1.1-1.3
	Mexico	1.4	1.5	1.0-1.2
	Total	4.0	4.0	3.4-4.0

European Consumption: (1980) 3.9 to 6.1 metric tons
NOTE: Western Europe has an estimated 220,000 to 330,000 heroin addicts, compared to an estimated 453,000 to 532,000 addicts in the United States. Consumption rates are generally higher in Western Europe than in the U.S. because European addicts generally ingest heroin by smoking. (NNICC)

Price Data: (10 kilos opium = 1 kilo heroin)

10 kilograms of opium earns Pakistani farmer $320-400
1 kilo morphine base earns Turkish distributor $6,000-9,000
1 kilo heroin earns European laboratory $30,000 to $50,000
1 kilo heroin earns U.S. distributor $150,000 to $225,000
1 kilo heroin earns street dealer $1.5 million
1 ton of heroin (sold as heroin): $2.2 billion

MARIJUANA

Imports and Producers: Total US Supply: 1981	7,500 to	11,000	metric tons	Colombia	79%
	900 to	1,200	metric tons	Jamaica	9%
	300 to	500	metric tons	Mexico	3%
	900 to	1,200	metric tons	U.S.	9%
	9,600 to	13,900	metric tons	total supply	

Price Data:

$500- 800	one pound Colombian marijuana
800-1200	one pound Jamaican sensimilla
400- 600	one pound Jamaican marijuana
450- 600	one pound Mexican "colas"
250- 500	one pound Mexican marijuana
2,000	one pound U.S. sensimilla
2,500	one pound Hawaiian sensimilla
250- 500	one pound U.S. marijuana

1 pound of Colombian marijuana: $2 to $4 farmer
1 pound of Colombian marijuana: $13 to $16 broker
1 pound of Colombian marijuana: $200 to $400 importer
1 pound of Colombian marijuana: $500 to $800 retailer

1 ton of marijuana (Colombian): $2,000-4,000 to farmer
1 ton of marijuana (Colombian): $1.0-$1.6 million street

NNICC 1981

COCA AND COCAINE

Production: 140-170 metric tons gross production potential
1981 50- 80 tons estimate actual cocaine for export

Coca Producers:

72 metric tons Peru (gross potential)
78 metric tons Bolivia (gross potential
6 metric tons Colombia (gross potential)

Allowing 10 percent margin of error, the 156 metric ton theoretical maximum of cocaine hydrochloride available from coca leaf produced in the three countries produces a range of 140 to 170 metric tons

Imports: 40-45 metric tons imported United States
1981 12 tons metric imported Europe, Canada and Latin America

Price Data:

250-500 kilos coca leaves (farmer)	$200- 500
2.5 kilos coca paste (processor 1)	375- 1,250
1 kilo cocaine base (processor 2)	1,000- 2,000
1 kilo cocaine HCL (exporter)	7,000-10,000
1 kilo cocaine HCL (US wholesaler)	45,000-52,000
1 kilo cocaine HCL (US dealer)	800,000

Cultivation: 50,000 hectares Peru
1981 35,000 hectares Bolivia
3,000 hectares Colombia

NNICC 1981

End

Pipeline Totals 3/31/83

Attached are summaries of all INM project activities (excluding Ecuador) since inception of the program (FY 1972) as reflected in our pipeline records. These totals reflect status of funds as of March 31, 1983 (except in Mexico's case, 12/31/82). Obligations are net obligations, reflecting totals after deobligations occur.

Country Totals

	OBLIGATED	SUB OBLIGATED	LIQUIDATED	ACCRUED	BALANCE	UNSUBOBLIGATED
La Paz	7,147,035	5,621,145	4,961,484	298,953	360,708	1,525,890
Lima	8,979,331	6,330,140	5,457,012	335,935	537,193	2,649,191
Quito	3,674,217	3,554,574	3,316,468	121,120	116,986	119,643
Bogota	29,600,926	28,258,900	22,490,720	2,547,753	3,220,427	1,342,026
Mexico	101,640,103	99,261,020	94,565,524	4,308,455	387,041	2,379,083
Bangkok	20,613,747	20,360,667	18,673,332	392,866	1,294,469	253,080
Islamabad	4,077,520	2,783,626	1,407,827	399,330	976,469	1,293,894
Ankara	2,500,000	2,453,120	941,307	768,801	743,012	46,880
Rangoon	48,548,487	47,642,281	43,197,802	650,330	3,794,149	906,206
TOTALS	226,781,366	216,265,473	195,011,476	9,823,543	11,430,454	10,515,893